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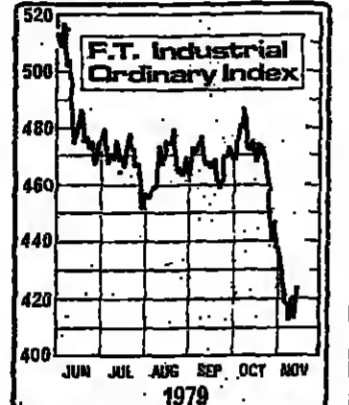
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NEWS SUMMARY

GENERAL BUSINESS

Iran 'softens' stand on Shah... Equities up 10.5; Gilts rally



Iran appears to have softened its stand over the extradition of the Shah from the U.S., for the first time since the siege of the U.S. embassy in Tehran began 10 days ago.

Equities up 10.5; Gilts rally... rise, and the FT 30-Share Index closed 10.5 up, at 423.5.

NATO pressure... The Dutch Government has come under strong NATO pressure to fall in with Western plans to base new nuclear missiles aimed at the Soviet Union in Western Europe.

Lisbon shooting... Portugal, Israel and the PLO have moved swiftly to avoid a major diplomatic row following the attempted assassination in Lisbon of Israel's ambassador to Portugal, Ephraim Eider.

Tough summit... The Prime Minister has envisaged tough bargaining at the EEC summit in Dublin. In the Commons she again insisted there must be a reduction in Britain's net contribution to the Community budget.

Mayors resign... The mayors of 15 towns on the occupied West Bank have resigned in protest at the arrest of the mayor of Nablus, Bassam Shaka, detained because of his 'sympathy' with Palestinian guerrilla actions.

Namibia move... UN Secretary-General Kurt Waldheim and South Africa's Foreign Minister Pik Botha seem to have resolved their differences sufficiently to allow a South African delegation to fly to Geneva for the conference on Namibia.

Soldier killed... One soldier has been killed and another injured when their foot patrol was caught in a landmine trap near the South Armagh border.

Benefits row... The Government will face a major row if it seeks to withdraw supplementary benefits to strikers and their families.

Film to Yard... The BBC has handed over its Panorama film on the IRA 'show of strength' in Carrickmore, Co. Tyrone, to Scotland Yard's Bomb Squad detectives.

Briefly... Eight men have been charged in Seoul in connection with the October 26 assassination of South Korea's President Park.

Table of price changes for various commodities like Rises, Excheq, Treasury, Allied Breweries, etc.

Gloomy Treasury forecasts 1-2% fall in economic activity

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE Treasury expects that the level of economic activity and output in the UK will drop by between 1 per cent and 2 per cent over the next year.

Publish... The estimated fall in output next year is, for example, larger than the 0.7 per cent drop in 1980 projected last week by the Paris-based Organisation for Economic Co-operation and Development.

Role of Rhodesia peace force may be extended

BY BRIDGET BLOOM AND MICHAEL HOLMAN

THE GOVERNMENT is prepared to consider an extension of the role of the proposed Commonwealth force to monitor the ceasefire in Rhodesia, if this would help reassure the Patriotic Front about the key security aspects of a Rhodesian settlement.

NatWest raises base rate to 15 1/2%

By Our Economics Correspondent

THE EXPECTED tightening of the credit squeeze started yesterday as National Westminster Bank raised its base lending rate by 1 1/2 points to 15 1/2 per cent.

Reference

There may be a reference to the uncertainties of past economic relationships and there could be some discussion of the possible impact of changes in confidence and expectations following income tax cuts intended to increase incentives.

Restraint

Apart from the MLR rise it will principally include an announcement about the monetary target for the next 12 months and about the future of the corset controls on the banks' operations.

Miners reject NCB's 20% 'final' offer

BY CHRISTIAN TYLER, LABOUR EDITOR

THE WAGE round took a threatening turn last night when a 'final' pay offer worth 20 per cent to Britain's 240,000 miners was unanimously rejected by union negotiators.

The unexpected decision could jeopardise the chance of a trouble-free settlement for this industrially powerful and strategically vital group of workers.

BL sacks sleepers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS yesterday dismissed 13 workers and two foremen for sleeping during the night shift at the Land-Rover factory at Solihull, Birmingham.

Table with 2 columns: Nov. 9, Previous. Rows include Spot, 1 month, 3 months, 12 months.

If you judge a bank by results, take a look at Sanwa Bank.

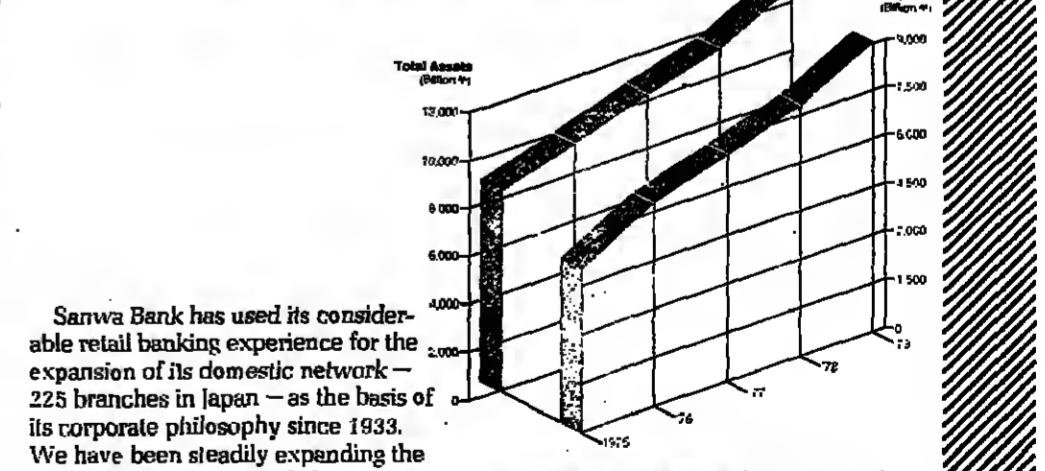


Table of Financial Highlights for March 31, 1979, showing Total Assets, Deposits, Loans, etc.

SANWA BANK Tokyo, Osaka and 225 offices in Japan. Includes address and contact information for various branches.

Plessey sells Garrard hi-fi

BY CHRISTINE MOIR

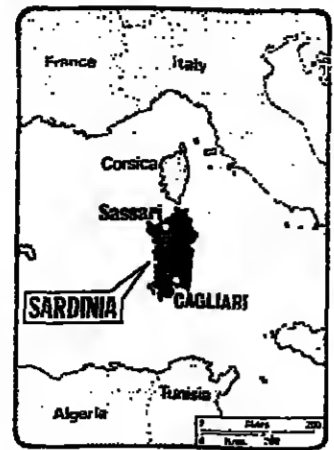
PLESSEY is selling Garrard Engineering, the world-famous, but loss-making, record turntable manufacturer it bought in 1960 from Garrard.

Table of Contents listing various sections like World oil scene, Management, Gardens today, etc.

EUROPEAN NEWS

Rupert Cornwell in Rome examines the alarming growth of a traditional 'industry' Kidnapping—the peculiarly Italian crime

THE PERSONAL ANGUISH of Mr. Rolf Schild, the British businessman whose efforts to rescue his kidnapped wife and daughter in Sardinia have now come to naught, is beyond imagination. Yet it is one shared by the close relatives of as many as 50 or 60 people each year who are kidnapped for ransom in Italy.



Mr. Rolf Schild: "I can do no more"

The helpless Mr. Schild, who is 55, announced on Monday that he could do no more to secure the release of his wife, Daphne, and his 15-year-old daughter, Annabel. His decision follows an unhappy series of developments that began when the family was kidnapped on August 21, 12 weeks ago.

Mr. Schild was held captive for a fortnight before being freed to raise a £2m ransom. The kidnapers threatened to cut off the ears of their two hostages unless the demand was met quickly.

A month ago two Sardinian emissaries sent by Mr. Schild were beaten up by the kidnapers at a pre-arranged meeting in a remote spot in the island's central mountains. A down-payment of £12,500 was torn up and burned, and Mr. Schild was left to contemplate what he called the kidnapers' "irrationality, unprovoked violence and lack of serious intention to bargain".

Yet the plight of the Schilds, and of one of the other dozen or so people currently held by kidnapers, has actually become commonplace in Italy. News of them rarely strays from the crime pages, and the risk of being seized now embraces the ordinary rich as much as the very wealthy. Kidnapping is the peculiarly Italian crime, in its modern form reflecting that combination of primitiveness

and sophistication which marks Italian society. In some ways the Schild case was out of the ordinary. It was a rare instance of foreigners being involved and the first time that three people had been taken together. Indeed, a theory exists that the whole thing was a mistake—that the criminals confused "Rolf Schild" with "Rothschild". In Italy it is merely another depressing statistic. Since 1960, when the present kidnapping phenomenon is reckoned to have begun, some 420 people have been kidnapped. Ransom paid may now exceed £160bn (£95m). The kidnapping rate is now more than one a week, and the blight has spread the length of Italy, from Sicily to the Swiss border. Ransoms vary from a reputed record of around £5bn to the more usual level of around £300,000. The final figure is invariably arrived at after complicated "negotiations" between representatives of the kidnapers and the kidnapped.

Calabria, in the south. The authorities' efforts to exile Mafiosi to the north merely brought them near the tempting targets who abound in the country's rich industrial belt. With 18 people kidnapped so far in 1979, Sardinia has the dubious distinction of leading Italy's kidnap league table. It is followed by Lombardy (the richest region which includes Milan), Lazio (the region around the capital), Calabria, Tuscany, and Piedmont (also in the wealthy north). The gangs that operate still tend to be dominated by Sardinians and Calabrians, but often employ local operatives. The degree of collaboration between them is hard to estimate. But the Higher Magistrates' Council, in a special report on kidnapping earlier this year, noted a "substantial connection between most of the personal kidnappings in recent years". This, according to the report, suggested "an unquantifiable number of semi-autonomous groups, variously linked and operating in the framework of a large structured organisation which, the magistrates believed, was a 'genuine multinational crime'. Hence the so-called Anonima Sequestro or "Kidnaps Incorporated". Even in places like Sardinia where a more rudimentary organisation might have been assumed, the picture that emerges is of highly professional units containing perhaps 25 or 30 people with the top man usually camouflaged behind the impeccable front of a building company, finance concern or transport business. This respectability of course makes the crucial process of recycling ransom money much easier. Underneath the top man

stands a number of intermediaries including the ransom collector and, below him, the actual kidnapers, fallers, look-outs and so on. According to recent trial evidence, the people who carry out the kidnap might receive as much as £20m (£15,000) each. After expenses the profit margin is estimated at around 50 per cent. So far no co-ordinated anti-kidnap strategy has been evolved, and little has been done to keep pace with developments on the criminal side. The authorities' task is complicated by the profound, inherent distrust of Italians for most aspects of the state. Relatives of the victims look to their family lawyer rather than the police to act as intermediary in dealing with kidnapers. In a country where tax evasion is the rule after all, it might be embarrassing to explain just how a supposedly middle-income victim managed to raise hundreds of thousands of pounds at the drop of a hat. In any case the rich have long made their own arrangements, which in turn have wrought a noticeable change in Italian life. Demand for handguns, bullet-proof cars and bodyguards (known as gorilla) has soared. Rome alone boasts 22 private police forces. The more prudent take out insurance policies, though not inside Italy, to enable themselves to meet a kidnap demand. This trend has been reinforced by the authorities, who have sometimes tried to freeze the assets of the victim's family to make payment impossible. In the north many wealthy people send their children to school in nearby Switzerland. Some actually live there themselves and commute to Milan.

W. German motorists cut down on petrol

By Guy Hawtin in Frankfurt

MOTORISTS IN West Germany have cut their petrol consumption in response to the oil shortages earlier this year and increased petrol prices. However, a hard winter and a rainy summer have also played an important role in restraining demand.

These are the conclusions reached by the West German oil industry association, after analysis of petrol consumption figures for the first 10 months of the year.

The association's statistics show that, from the beginning of January to the end of October, petrol consumption in the Federal Republic increased by 1.6 per cent compared with the figures for the same period of 1978. In contrast, consumption during the opening 10 months of last year was up by 5.9 per cent.

The drastic decline in the rate of growth in petrol consumption came about despite a 6 per cent increase in the number of petrol driven vehicles on West German roads during the period under review. The association said that the decline in growth rate was the result of "a reduction in the use of cars and also the greater use of fuel-saving driving methods."

While it appears that West Germans are driving with a greater eye on fuel economy than before, the association points out that weather conditions undoubtedly have played an important part in reducing demand. It remains to be seen whether they remain as energy conscious in 1980 as a good weather year.

This year has been a poor one for weather and, during the early months, northern Germany was blanketed in snow for far longer than usual. Figures for the first quarter seem to reflect this as petrol consumption was down 1.4 per cent on the opening three months of 1978 which were not quite so snowy.

In the second quarter, when the weather improved, fuel consumption rose 4.5 per cent—far lower than the growth in the number of cars on the road. In the third quarter, when an unusually high rainfall was recorded, consumption grew only 0.3 per cent. Fuel consumption in October, an unusually fine month, rose by 4.6 per cent.

Labour asks Europe to resist UK immigration plans

BY ELINOR GOODMAN IN STRASBOURG

BRITISH LABOUR MPs at the European Parliament, who fought the direct election on the basis that they would resist any incursion by the Parliament into the affairs of Westminster, yesterday tried to mobilise the support of other MPs for their fight against immigration controls proposed by the British Government.

At the same time as calling for an emergency debate on the Government's immigration plans, some of the Labour delegation were also measuring support for a motion condemning proposed cuts to the BBC's World Service.

Both subjects, the Labour MPs argue, had implications outside Britain and had to be seen not only in the context of British law but also within the framework of the European Convention on Human Rights. Raising the subject at Strasbourg, they said, was consistent with Labour's strategy of mobilising opinion against the Conservative Government.

In spite of the backing of other socialists in the Parlia-

ment the Labour group failed to get the necessary support for a full debate on immigration. The call for urgency was opposed by the British Conservative delegation but the two British parties joined at question time yesterday to demand an end to a day, to under which the Parliament will next year commute between Strasbourg, Luxembourg and Brussels.

The protest, however, did not seem to make much headway even though many of the MPs coming to Strasbourg this week from outside France have found the journey even more difficult than usual because of the French air traffic dispute.

Yesterday's session was dominated by the debate on procedures with the independent radicals and socialists continuing to argue against the proposal to increase the minimum size of group qualified for certain financial and procedural privileges.

Indications were that some compromise might be agreed behind the scenes to stop the debate overflowing into the rest of the week.

Court backs Sarcinelli

ROME — An appeal court judge has issued a ruling in favour of Sig. Mario Sarcinelli, deputy director-general of the Bank of Italy, dismissing accusations by a Rome magistrate under which Sig. Sarcinelli was briefly imprisoned last March, legal officials said. The judge ruled that the magistrate's accusations against Sig. Sarcinelli had no legal foundation. The officials said this marked a first victory in defence moves to rebut attacks against senior figures at the central bank. These attacks earlier this autumn were

a factor in the decision by Dr. Paolo Baffi, the bank's governor, to retire early. Sig. Sarcinelli was arrested and briefly imprisoned on March 24, after a Rome magistrate accused him of using his public office to pursue personal ends. It was claimed that he withheld information relevant to a judicial investigation into Government-subsidised loans granted to the SIR chemicals group. Similar accusations were also made against Dr. Baffi. Both men firmly denied them.

Interest rates adjusted in Belgium

BRUSSELS — The interest rate on three-month Treasury and on four-month Pension Fund Certificates have been raised slightly to 14.25 per cent from 14.20 per cent. The rate for six-month certificates has been lifted to 14 per cent from 12.75 per cent, where it has been unchanged since October 8, and the nine-month certificate rate is increased to 13.50 per cent from 11 per cent, a level unchanged since September 11. Reuter

Pollution pact approved

GENEVA — East and West Europe, the United States and Canada yesterday approved a convention to combat air pollution across state borders, to cut use of raw materials in industry and to promote low-waste technology. In the first ministerial meeting on the environment ever held under the auspices of the United Nations Economic Commission for Europe, the 34 ECE members, minus Albania, pledged to limit all forms of air pollution. Olof Johansson of Sweden,

conference chairman, and Bruno Stranb of Hungary, vice-chairman, immediately signed the convention on behalf of their governments, opening the way for signature by other nations. The convention obliges states to co-ordinate national action to combat air pollution including industrial gases and fumes spreading from one country to another. In the past, such environmental meetings have been dogged by East-West wrangling. Agencies

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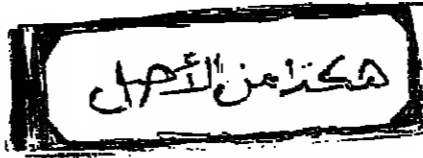
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France steps up aid to Third World. France is to increase aid next year to developing countries, mainly in Africa, under the 1980 Co-operation Ministry Budget voted by the National Assembly yesterday. Reuter reports from Paris. The FFf. 4,019bn (£446m) is 16.7 per cent higher than this year. FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$305.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centers.

The ABC of DAN-AIR's Scheduled Routes from London (Gatwick). ABERDEEN - New route starts Nov. 1st - up to 3 jet flights per day. BERNE - Only scheduled service to the Swiss capital. BERGEN - Gateway to Western Norway - frequent flights. CLERMONT-FERRAND - Central France - 3 jet flights each week. CORK - Route commences April 1980. DIJON - Burgundy - Tuesday and Thursday flights. ISLE OF MAN - Summer route with frequent flights. JERSEY - Summer route - flights operate Wednesday, Saturday and Sunday. KRISTIANSAND - Gateway to Southern Norway - flights operate Friday and Monday. MONTPELLIER - Southern France - up to 6 flights weekly. MUNICH - Route starts May 1980. NEWCASTLE - Twice daily jet flights - Monday to Friday. PERPIGNAN - S.W. France - regular weekly jet flights. SHANNON - Route commences April 1980. STRASBOURG - France, Alsace - Friday and Sunday flights. TOULOUSE - New route, year round from December 16. * Subject to Government approval. DAN AIR SCHEDULED SERVICES. For full information on Dan-Air scheduled routes from London (Gatwick) phone 01-680 1011 or Contact your Travel Agent.

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Richard Johns analyses Western Europe's shifting attitudes towards the PLO

Diplomacy brings large Palestinian gains



Chancellor Bruno Kreisky of Austria honours for PLO leader

ignores the growing conviction in Europe that there can be no effective and enduring Middle East settlement without the Palestinians — and that effectively means the PLO.

A second, related factor has been the PLO's own campaign to achieve respectability. Mr. Arafat no doubt sees the benefits of using a "carrot and stick" approach, but the PLO formally renounced acts of violence in neutral countries long ago. These for the most part have been the work of fringe groups.

A direct bonus, to take one example, was to be seen in the lifting of the siege of the Egyptian Embassy in Ankara following PLO mediation. The Turkish Government granted the organisation permission to open an office there.

Conversely the present British Government's obsession with the PLO's alleged connections with the IRA have been a considerable irritant. The PLO denies the allegation, and the UK, as a result, is currently bracketed with Holland as the least sympathetic member of the EEC.

Equally important in this process of Western Powers edging towards formal acceptance of the PLO has been general disillusionment with Israel and the deterioration of its image, especially since Mr. Menahem Begin's Government came to power. Patently damaging to this respect has been the exposure of Israel's effective annexation of the West Bank through the establishment of settlements, and its indiscriminate policy of retaliation in southern Lebanon.

The manner in which Israel has pressed ahead with the settlements has been roundly condemned. In June the EEC Foreign Ministers described the takeovers as a contravention of international law. Israel's action in Lebanon has also been

directly responsible for a clear shift in favour of the Palestinian cause in the Netherlands and Norway, two countries traditionally most uncritical in their support of Israel.

In the last resort, however, oil must be the weightiest element behind the pronounced West European shift. Spain's reception of Mr. Arafat was almost certainly part of the cold calculation to ensure that it receives oil and gas supplies. Spain remains the only European country without relations with Israel.

There followed ministerial visits to Libya, which is expected to restore a 20 per cent cut-back decreed earlier this year, and to Iraq, which has undertaken to make extra crude available if possible. Portugal, too, regarded Mr. Arafat's visit to Lisbon as a major breakthrough in its attempts to secure oil supplies.

Bonn is adamant that petroleum does not affect its view. However, it appeared to be the main motivation behind Herr Genscher's two Middle East tours this year, while Chancellor Schmidt has yet to respond to Israeli invitations by going there.

France, together with Kuwait, has been in the forefront of moves to resurrect the Euro-Arab dialogue, although there remains no common EEC stance on the question of the PLO. The laborious process of trying to reach one has had to take place through the machinery, not provided for in the Treaty of Rome, of political co-operation. Britain, for one, has taken cover behind the EEC convention to avoid any initiative of its own, incurring Arab criticism in doing so. The U.S. and Israel are meanwhile growing more concerned about West European countries individually seeking to improve relations with Arab oil producers by edging closer to recognition of the PLO.

NATO pressure on Dutch to back missiles

BY REGINALD DALE IN THE HAGUE

THE DUTCH Government yesterday came under strong pressure from its allies in the North Atlantic Treaty Organisation (NATO) to fall in with plans to base in Western Europe a new generation of nuclear missiles aimed at the Soviet Union. Dutch reservations about the plan are threatening to cause serious strains inside the alliance.

Mr. Francis Pym, Britain's Defence Minister, was among the strongest in urging the Netherlands to agree to the plan, on which most NATO countries want to take a firm decision at their winter ministerial meeting in Brussels next month.

As Defence Ministers from 11 countries began a two-day meeting of the alliance nuclear planning group here, the Dutch were virtually alone in trying to tie a series of strings to the scheme to modernise NATO's so-called long-range "theatre" nuclear forces. The Dutch Government faces serious Parliamentary opposition to the move, which would involve having 572 U.S. Cruise and Pershing 2 missiles in the UK, West Germany, Italy, Belgium and the Netherlands.

According to figures confirmed here yesterday, the UK would take 160 ground-launched Cruise missiles, the pilots, ground-hugging aircraft that could strike military targets well beyond Moscow from British bases. Italy would take 112, West Germany 96 and Belgium and the Netherlands 48 each. U.S. forces in West Germany would replace their shorter range Pershing 1 ballistic missiles with longer range Pershing 2s.

British and U.S. officials both express confidence that NATO Defence and Foreign Ministers will finally agree to the plan when they meet in Brussels in the week beginning December 10. The decision to modernise NATO's nuclear forces would be accompanied by an offer to push ahead with further East-West arms control negotiations with the Soviet Union.

Recent parliamentary debates in The Hague have left the Dutch Government's position confused. Mr. Willem Scholten, the Defence Minister, said his

PLO denies role in Lisbon shooting

By Jimmy Burns in Lisbon

PORTUGAL, ISRAEL and the Palestine Liberation Organisation yesterday moved swiftly to avoid a serious diplomatic row following the attempted assassination here of Mr. Ephraim Eldor, Israel's ambassador to Portugal. Mr. Eldor was wounded and his household guard was shot dead by unnamed assailants in a machine-gun and grenade attack in central Lisbon yesterday morning.

The incident immediately threatened to upset not only Portuguese-Israeli relations but also the delicate diplomatic offensive conducted by Mr. Yasser Arafat, the PLO leader, to achieve international recognition for his organisation.

The attack came only a week after Mr. Arafat was warmly received here at an international conference by the Portuguese Government and President Antonio Ramalho Eanes.

The PLO representative office in Madrid issued a statement here yesterday pledging that the organisation was "in no way responsible" for the attack on Mr. Eldor. The statement, it said, was aimed at upsetting "the political and diplomatic victories achieved in Lisbon" during Mr. Arafat's visit.

The Portuguese Government condemned the "cowardly attack" against Mr. Eldor and pledged a vigorous police hunt for the assassins.

Yesterday afternoon, the Israeli embassy expressed regret at the death of Mr. Eldor's Portuguese bodyguard and praised the action of Portuguese security forces.

The carefully worded statement contrasted with earlier Israeli protests suggesting that the attack had stemmed from Portugal's current co-operation with the PLO.

The attack on Mr. Eldor, however, has underlined the lack of security against terrorist attacks in Portugal. Despite growing evidence that the country is being used as a rest stop or hiding place by terrorists, there is no Portuguese anti-terrorist squad.

West German diplomatic officials here are leading exponents of this theory and have consequently mounted their own high security precautions at their embassy.

THE SEIZURE by Moslem students of American diplomats at the U.S. Embassy in Tehran presented the Palestine Liberation Organisation (PLO) with an opportunity which it has apparently failed fully to exploit.

A successful attempt by the guerrilla organisation to mediate on behalf of the U.S. and secure the release of the hostages would have been a major propaganda coup for the PLO in its efforts to influence world opinion and win wider recognition.

Characteristically the PLO grasped at the opportunity with both hands. But its efforts have proved unsuccessful so far, not because the U.S. Administration refused the PLO's offer—it did not—but because of an apparent rebuff by the students occupying the Tehran embassy.

It is now almost exactly five years since Mr. Yasser Arafat, Chairman of the PLO, appeared at the UN General Assembly. He won for the umbrella organisation the recognition of nearly the whole of the Third World.

But its attempts to win formal recognition from the U.S. and West European countries have foundered largely upon its refusal to accept UN Resolution 242, the basic and generally accepted framework for a Middle East peace settlement which speaks only of the Palestinians as "refugees," or to acknowledge Israel's right to exist.

The PLO has nevertheless persevered with trying to win for itself greater formal acceptance, and Mr. Arafat has hailed 1980 as "the year of the Palestine state." This does not mean he expects one to materialise next year, but that both West Europe and the U.S. will move closer to recognising the PLO, and a step nearer the dream.

The PLO was clearly bolstered by the impact of the

resignation of Mr. Andy Young as U.S. Ambassador to the UN after his unauthorised contacts with the movement's representatives in New York.

The guerrillas still hope for progress on relations with the U.S. But most Palestinians still think in terms of threatening American interests in the Arab world as a means of pressure. Another line of approach is to encourage West European countries to pursue an independent Middle East policy using the Arab oil producers as an additional lever.

The PLO has scored enough diplomatic successes in Western Europe recently to make Israel acutely apprehensive:

- Towards the end of August Dr. Bruno Kreisky, the Austrian Chancellor, received Mr. Arafat with the honours usually accorded to a head of state. They were joined by Mr. Willy Brandt, the former West German Chancellor, which provoked a furious response from Israel.
- Three weeks later the PLO Chairman was greeted in Spain by Mr. Adolfo Suarez, the Spanish Premier, during a visit that only just fell short of official and given the use of his personal car on which flew the Palestinian flag.
- In Lisbon two weeks ago Mr. Arafat was granted a long audience by President Ramalho Eanes of Portugal and feted by the country's political leadership.
- Less dramatic but equally important was the statement of Mr. Michael O'Kennedy, the Irish Foreign Minister, on behalf of the EEC before the UN General Assembly in September. It was the first to make specific reference to the PLO, and talked of "the Palestinian people who are entitled within the framework set by a peace settlement to exercise their rights to determine their own future as a people."

Irish face power strike

BY STEWART DALBY IN DUBLIN

IRELAND faces the prospect of a strike by power-workers in the state-owned Electricity Supply Board (ESB). It would come on top of the continuing Dublin port strike, where talks aimed at breaking the deadlock were taking place last night.

The stoppage in Dublin's docks, estimated to be costing the economy £1m a day in delayed imports and exports, has gone before the Labour Court.

It involves 500 deep-sea dockers who are members of the Marine Port and General Workers Union (MPGWU). They are seeking a rise of £25 a week above basic pay, at a present between £50 and £60 a week.

The Electricity Supply Board strike involves workers at the Poolbeg station which supplies 30 per cent of Ireland's electricity. Technicians at the power-station are seeking better work conditions.

But it is believed the threatened strike will not close down the country.

Hope on German inflation

BY OUR FRANKFURT CORRESPONDENT

THE INFLATION rate in West Germany—a year's running at 5.7 per cent—has passed its peak, and is expected to pass its peak, provided that forthcoming forecasts are concluded at an acceptable level. Dr. Hans E. Friedrichs, chairman of Dresdner Bank, and a former Federal Economics Minister, said in Frankfurt yesterday.

A falling inflation rate would give the Bundesbank, the West German central bank, some opportunity to relax its present tight monetary policies, as it had already met its goals in controlling the money supply.

The present wave of price increases would not be as great as that experienced in 1973-74, when all sections of the economy were going through a boom.

Dr. Friedrichs was cautiously optimistic about the level of industrial activity next year. He believed a recession was not in sight, and that growth in certain sectors, such as consumer goods, motor cars, building and exports, was likely to be slower.

European MPs refuse request to approve extra farm cash

BY ELINOR GOODMAN IN STRASBOURG

THE EUROPEAN Parliament yesterday decided to keep the Council of Ministers in suspense over the extra funds the Community needs to pay its farm hills for the rest of this year.

It voted against a request from the Council to make time this week for a special vote approving the release of a further £530m for expenditure on buying up surplus farm products this year.

As a result, the vote will not be taken until Parliament meets in December.

By then the money allocated for spending on intervention in some countries will have been completely exhausted. In Ireland, funds are already running dry.

Parliament is expected to approve the supplementary budget next month after venting its indignation about mounting farm spending. But the delay could cause serious administrative problems. It also raises issues of considerable constitutional significance for the Community.

To fulfil the Community's obligations to farmers, some countries will either have to use their own money to buy up surplus products, or the Commis-

Kidnap poses problems for Basque parties

THE KIDNAPPING of Sr. Javier Ruperez, a prominent Spanish MP, by the Basque Separatist Organisation ETA, has thrown into doubt the role of the political parties supporting the organisation.

Sr. Ruperez's kidnapping on Sunday has been claimed by the political-military wing of ETA, which is supported by the Basque party Euzkadi Ekerra.

However, Sr. Juan Maria Bandres, the party's leader, has called for Sr. Ruperez's release, pointing out that in 1976 Sr. Ruperez had intervened when Sr. Bandres was detained by the authorities.

Sr. Bandres is believed to have been an intermediary on previous occasions between the Government and the political-military wing of ETA.

The Press yesterday focused attention on the plight of Sr. Bandres and his party, calling on them to account for themselves. The party is in an embarrassing situation since along with the political-military wing of ETA—it supported the autonomy statute for the Basque region.

ridiculous for the new Parliament to be seen to acquiesce to a request for a supplementary budget on agricultural spending the moment it was asked.

The committee's strategy was to keep the Council of Ministers waiting until after it has given its verdict on Parliament's proposals for 1980. But yesterday, the Liberal group put down a motion urging MPs to treat the 1979 supplementary budget as a matter of urgency. Despite the support of the Christian Democrat group, the motion was lost.

Parliament will again venture on to new ground today when it tries to make its opinions felt on the long-term problem of Community finance. The budget committee has prepared a report, which will be put to the plenary session today, criticising the unfairness of the present budgetary system and in many ways supporting the British Government's case.

The British Tories successfully moved an amendment to the report yesterday, stressing the need for a short-term solution as well as the medium and longer term solutions advocated in other parts of the report.

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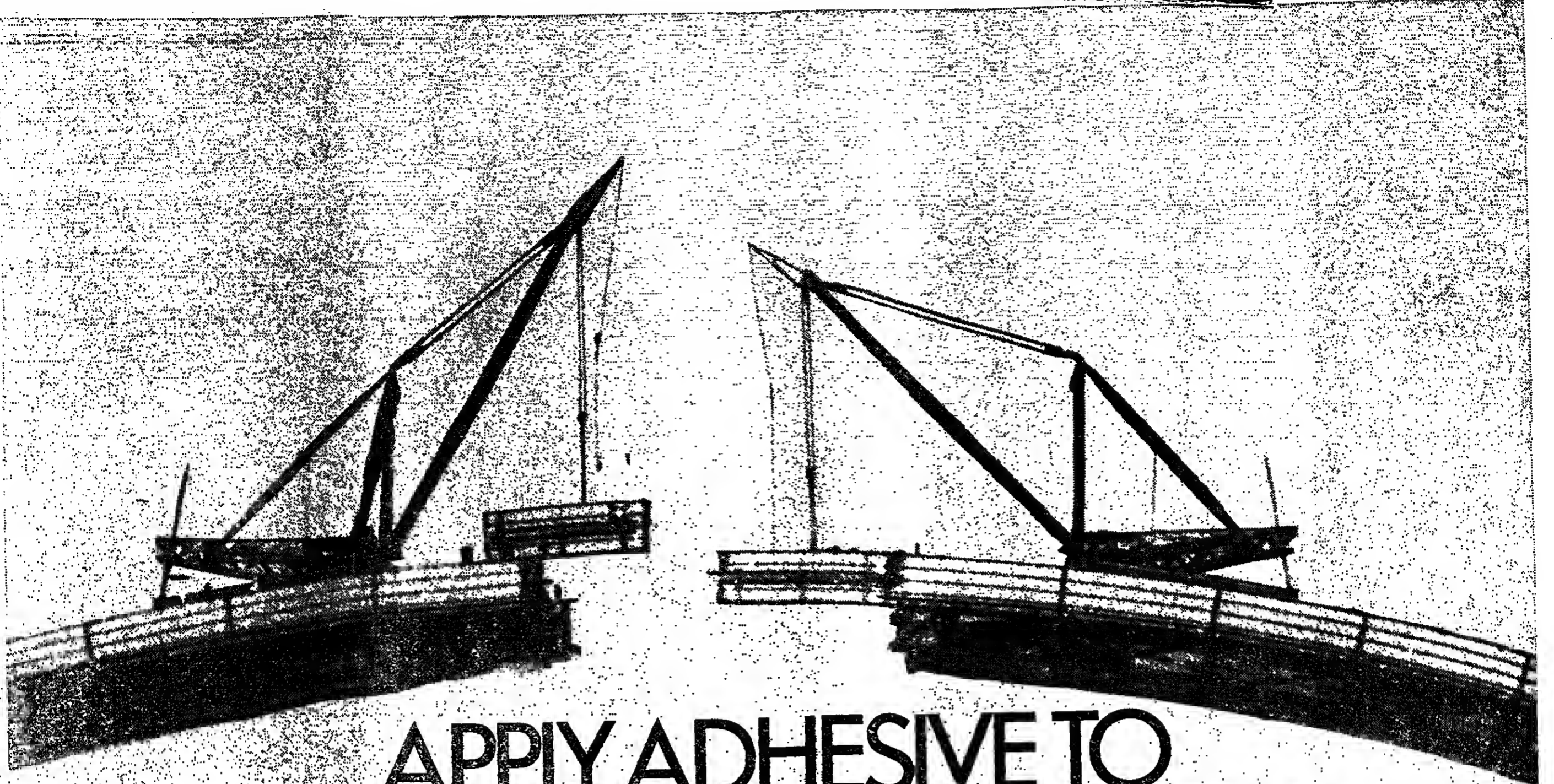
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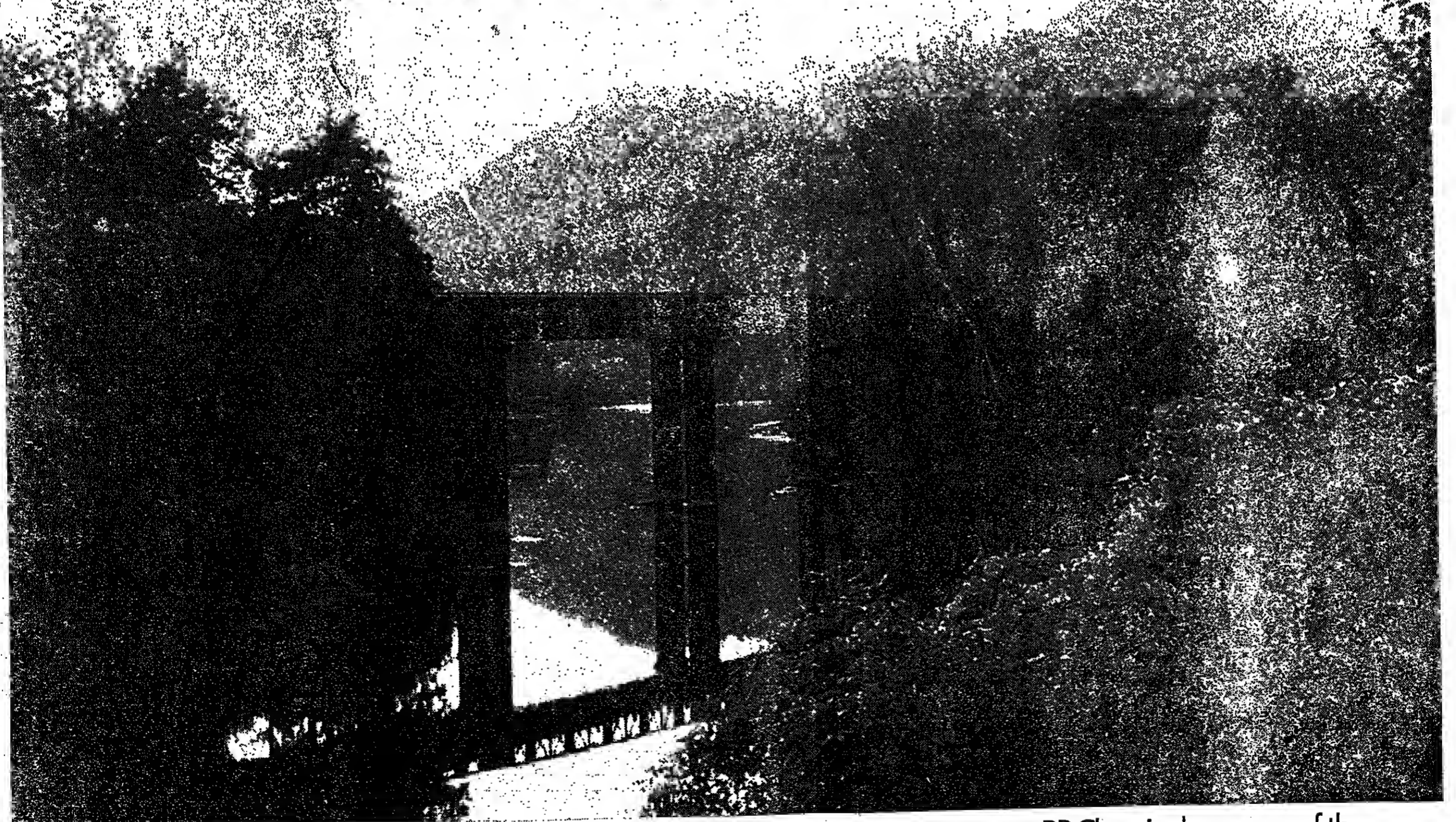
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BP chemicals-making it all happen



David Housego, Asia Correspondent, assesses ASEAN's new political cohesion and continuing economic progress

Asia's prosperous five forge unexpected unity

IF THE Vietnamese stop short of pushing across the border into Thailand in the coming months, it will not be fear of defeat by the Thai army. The major factor deterring Vietnamese pursuit of Khmer Rouge units loyal to the deposed Kampuchean leader Pol Pot is Hanoi's anxiety that the five ASEAN states will again pillory it before the world as an aggressor nation.

The members of the Association of South-East Asian Nations have surprised themselves and unpleasantly surprised Vietnam by the speed with which they have recently developed their political clout. Indeed, this strength has become the organisation's most important dimension—and the one least expected by its founders 13 years ago.

Until last year ASEAN was still considered a weak grouping that had done little to fulfil its original purpose of bringing together the non-Communist states of South-East Asia threatened by the instability of continuing war in Indo-China.

But since Vietnam's attack on Kampuchea last December the five have successfully co-ordinated a diplomatic campaign against Vietnam and marshalled international opinion in support of it.

Their cohesion and determination has impressed their friends in the West. In August

1978 U.S. officials were still complaining of the difficulties they had in getting ASEAN foreign ministers, then in Washington for talks on relations with the U.S., to discuss security issues in South East Asia.

Now in sharp contrast the ASEAN States have tabled the motion now before the UN General Assembly demanding Vietnam's withdrawal from Kampuchea. Since January they have also hammered Vietnam before the Security Council, at a special conference in Geneva on Indo-China refugees and in regional ministerial meetings.

The U.S. and the EEC have backed them to the point of offending their own domestic audience by supporting ASEAN's continuing recognition of the Pol Pot regime. In part this reflects the West's growing economic interests in South East Asia. The ASEAN states have chalked up faster growth rates over the past decade than almost any other group of developing nations and their trade has grown apace. Their success is in stark contrast to the virtual collapse of the Communist economies of Indo-China since 1975.

Only 18 months ago the EEC was dismissive of the value of any economic agreement with ASEAN, which it saw as well meaning but ineffective. Now the Nine hope to sign a com-



mercial and economic cooperation agreement with ASEAN by the end of the year.

For their part the ASEAN States are anxious to broaden their relationship with Europe to offset the dominance of their trade by the U.S. and Japan. EEC trade with the five amounted to only 2.3 per cent of total EEC trade in 1978. Europe's share in ASEAN trade has actually dropped from about 20 per cent in 1960 to 14 per cent last year, largely because of the erosion of colonial ties.

As an indication of reviving European interest, West Germany is currently mounting in Jakarta its largest-ever trade fair in South East Asia, while Britain is playing host to President Suharto of Indonesia who has arrived on a State visit.

Ironically it is the Vietnamese who have done most to draw the five States together and put muscle into ASEAN as a regional organisation. After Hanoi's success in over-running South Vietnam in 1975, the five had differing views on how to handle a militarily powerful Vietnam.

Malaysia and Indonesia were more anxious than the other

members for reconciliation with Hanoi, partly because they saw mainland China as the major long-term threat to the region.

But the five quickly pulled together after Vietnam's invasion of Kampuchea because of the regional precedent it set of intervention by armed force. The co-ordination of policy since has been easier because most of the ASEAN leaders—President Suharto, Lee Kuan Yew of Singapore, Datuk Hussein Onn of Malaysia, General Kriangsak Chamanan of Thailand and President Ferdinand Marcos of the Philippines—have long been

in power or know each other. A further impetus towards closer co-operation came from Vietnam's expulsion of its ethnic Chinese community and from the threat that last summer's exodus of boat refugees posed to the delicate racial balance in Malaysia and Indonesia.

The ASEAN states were roundly condemned abroad for their unscrupulous policy of pushing boat refugees back to sea. But they won a major victory in getting the refugee problem accepted as one for which the international community was responsible.

Individually the five's foreign policies continue to reflect differences of stance. Thailand has drawn much closer to China than the others would wish. Realistically they have accepted that neither singly nor together could they militarily stand up to Vietnam.

There is thus little prospect of ASEAN being transformed into a military pact, although there are bilateral joint exercises, some standardising of equipment and an offer by Singapore of military help to Thailand.

The basic strength of their economies lies in the continuing strong demand for their major commodities. The region accounts for about 80 per cent of the world's rubber and palm oil exports and nearly 70 per cent of tin exports. About 60 per cent of Indonesia's foreign exchange earnings come from crude oil.

The growth in trade of the ASEAN states has accordingly been well above the world average, and trade as a proportion of GNP is high by developing country standards. The ASEAN states in particular Singapore have also achieved a higher growth rate in manufacturing output than most developing countries, a reflection of the openness of their economies and their encouragement of foreign and private investment.

What the crude statistics conceal is the problems that most of them are having with inflation and growing disparities of wealth. In Indonesia, Thailand, Malaysia and the Philippines, social or communal tensions remain precariously balanced.

In terms of economic co-operation, the purpose for which ASEAN was established 13 years ago, progress has been scant. Although trade among the five is growing, it still accounts for only about 14 per cent of ASEAN's total trade. Schemes for mutual tariff preferences and industrial co-operation have yet to make much impact.

It is thus the political clout that the five have mustered which surprisingly has proved their strength.

15 mayors quit over Nablus deportation

By David Lannon in Tel Aviv

THE MAYORS of 15 towns in the occupied West Bank of Jordan resigned yesterday in protest at the arrest of one of their colleagues, Mr. Bassam Shaka, the Mayor of Nablus.

Four other mayors postponed action pending a response from the Israeli Government to their request that Mr. Shaka be released until the Israel Supreme Court rules on an appeal against a decision by the Israeli authorities to deport him.

Mr. Shaka, the outgoing nationalist mayor of the West Bank's largest town, was arrested on Sunday and served with a deportation order because of declarations he made in sympathy with Palestinian guerrilla actions.

The Israeli authorities have long regarded Mr. Shaka as a troublemaker of all the leaders in the occupied territories. He has angered them particularly by his support of farmers struggling against Israeli land seizures.

Political spokesmen

The mayors in the occupied territories are general regarded not simply as municipal officials, but as political spokesmen of the 1.2 Palestinians who have been living under Israeli occupation since 1967.

In municipal elections in 1976 most of the pro-Jordanian leadership was swept out, favouring nationalist mayors. The new young mayor have resisted Israeli efforts to bind their towns more closely to Israel by linking them to the Israel electric grid and providing other services direct from Israel. The mayors have also been active in the fight against land seizures.

Last week Mr. Shaka said he had told the senior Israel officer in charge of the occupied territories that he understood the motives of Palestinian guerrillas, who attacked Israeli targets, including those who attacked on a bus near Tel Aviv last year resulted in 34 deaths.

This was reported in the Israeli Press in such a way as to give the impression that Shaka identified with the killing of innocent civilians and children. The public outcry in Israel over his alleged remarks led the Government to order his deportation.

The Supreme Court, which awarded an interim injunction to Mr. Shaka's wife forbidding the banishment, before a Defence Minister had explained his grounds for the action to the court.

Kim 'ready to meet Opposition'

Kim Jong Pil, newly elected head of South Korea's ruling Democratic Republican Party, is willing to meet opposition leaders if it would promote stability following President Park's assassination, he said yesterday, Reuter reports from Seoul.

A healthy opposition must exist along with a healthy governing party, he added. Kim, 53, is regarded as a potential successor to Park. The main opposition party, the New Democratic Party (NDP), has called for a drastic overhaul of the constitution, the release of political prisoners, and an end to martial law.

Ethiopia warning

Colonel Mengistu Haile Mariam, Ethiopia's Marxist leader, has accused Somalia of stepping up guerrilla attacks on his country and said Ethiopia might be forced to hit back. Reuter reports from Nairobi. Quoting Addis Ababa radio, the agency said the warning came during the visit to Ethiopia of Herr Erich Honecker, East German leader, who is expected to sign a 20-year friendship treaty during his stay.

Zia stands firm

Pakistan will continue to resist pressure from the U.S. and others to devalue the rupee, President Zia ul Haq said yesterday. AP-DJ reports from Islamabad. The U.S. was applying pressure because of Pakistan's refusal to scrap its nuclear programme, he asserted.

Malaysia nuclear hint

The Malaysian National Electricity Board could have its first nuclear power plant in operation in the 1990s, it said yesterday, Reuter reports from Kuala Lumpur. Studies suggested that a 900 Mw plant would be most suitable.

Fall-out 'proof'

New Zealand scientists believe they have proof that a nuclear device was exploded in the Southern Hemisphere in the past three months, Reuter reports from Wellington. Low-level radioactivity had been detected in rainwater samples collected by the Institute of Nuclear Science, they added.

Thais move refugees

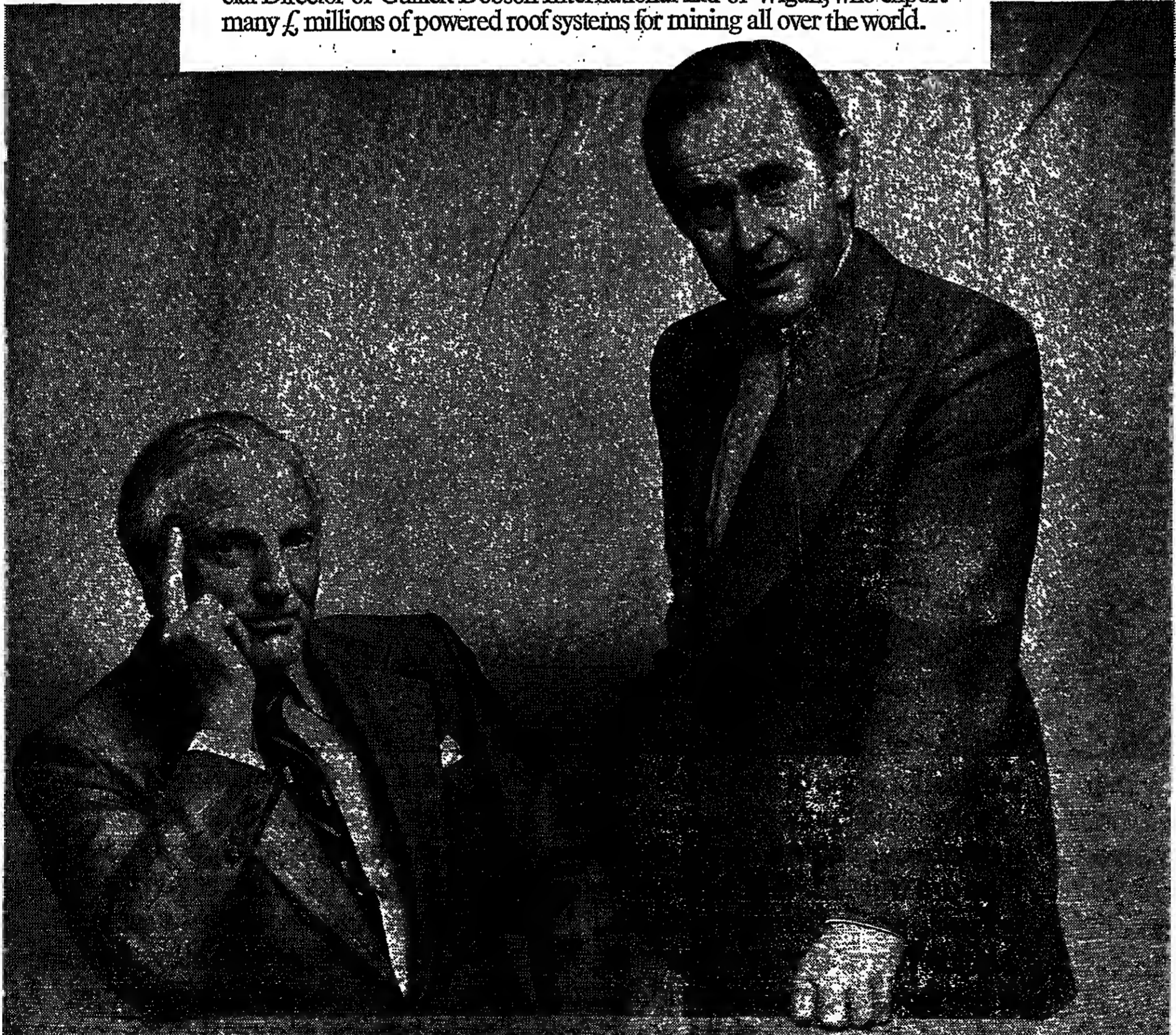
Thai authorities yesterday began moving about 5,000 Kampuchean into a new refugee camp, Reuter reports from Bangkok. The refugees had fled to Thailand to escape prolonged shelling from Vietnamese forces near the border.

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Mr T Pollard (seated) is Chairman and Mr D T Morris-Jones, Financial Director of Gullick Dobson International Ltd of Wigan, who export many £ millions of powered roof systems for mining all over the world.



Way cleared for S. Africa to attend Namibia talks

BY JOHN STEWART IN CAPE TOWN

DR. KURT WALDHEIM, the United Nations Secretary-General, and Mr. R. F. "Pik" Botha, South Africa's Foreign Minister, appeared yesterday to have resolved their differences sufficiently to allow a South African delegation to fly to Geneva last night for a UN sponsored conference on Namibia.

In an exchange of recriminations over nearly four days, Dr. Waldheim and Mr. Botha matched wits over the appropriateness of adding representatives of four or five internal Namibian parties to the list for the Geneva talks. The list already included the UN Namibia secretariat, the Western contact group (Britain, the U.S., France, Germany and Canada), the five African front-line states and the South West Africa People's Organisation, an armed struggle with the South African security forces. Dr. Waldheim regards the South African Government as the only relevant internal participant, but Mr. Botha adamant that Pretoria will negotiate a settlement without consulting other internal political organisations — 34 parties loosely gathered in three four groupings.

A compromise appeared to have been arrived at on Monday after the intervention of Western Governments. Under this arrangement internal Namibian parties have been invited to the conference for consultation. A similar arrangement was made in New York March when they were required to stand by in jobs and hall.

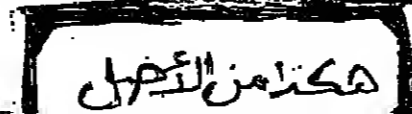
The purpose of the Geneva conference is to discuss proposals put forward by Angola for the establishment of a 6-mile-wide demilitarised zone on either side of the Namibia-Angola frontier during a UN supervised transitional period leading to elections and independence.

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WORLD TRADE NEWS

Nine U.S. companies to set up plants in Ireland

By Stewart Daley in Dublin

WHAT is considered a major breakthrough in foreign investment in Ireland, Mr. Jack Lynch, the Irish Prime Minister, who is on an official visit to the U.S., has announced in Houston that nine U.S. companies have concluded negotiations with Ireland's Industrial Development Authority (IDA) to invest in the country.

These investments in land, buildings and equipment would amount to over £15m and could eventually employ over 1,600 people.

Ireland's national economic development plan envisages the creation of 25,000 jobs each year between now and 1981.

Given that half of these jobs must be found in new manufacturing industry, the announcement of 1,600 jobs by Mr. Lynch is seen to be significant.

The new projects include two new electronics plants in Dublin and Cork by Applied Magnetic Corporation and Bourne Incorporated which between them will employ 900 persons.

Three of the other new projects will also be located in Dublin.

Applied Magnetics Corporation will manufacture digital magnetic tape heads at Coolock. National Medical Care will produce medical equipment for patients suffering from kidney failure at Clondalkin. Glaxo

Incorporated is to manufacture laboratory glassware close to Dublin. This is thought to be the first incoming investment to locate in Dublin's inner city.

There is a boom in American investment in Ireland. The IDA has estimated that of the £1.6bn foreign investment in the country over half is from the U.S. Ireland depends a great deal on new foreign investment in manufacturing for its industrialisation programme.

At the end of this year it is estimated that the country will have a balance of payments deficit. But despite IDA optimism it seems unlikely this year that direct capital inflows will cover the balance of payments deficit.

Cuba cuts deficit with West

By Hugh O'Shaughnessy

CUBA reduced its trade deficit with Western countries in 1978 to about \$500m (£235m), compared with \$900m in 1977 and \$800m in 1976, according to trade officials in London.

This was achieved by reducing purchases from the West from \$1.6bn in 1977 to \$1.27bn last year. Over the same two years Cuban exports to the West rose marginally in monetary value from \$725m to \$780m.

Cuban trade with the communist countries rose noticeably with Cuban exports jumping 30 per cent from \$2.9bn to \$3.8bn and Cuban imports going from \$2.8bn to \$3.5bn, an increase of 25 per cent. A doubling of Cuba's surplus with the communist countries and a sharp fall in its deficit with the West allowed Cuba to reduce its trade deficit overall from \$775m to \$175m.

According to U.S. analysts, Cuba's total debt with Western countries at the end of last year was about \$2.6bn, a little more than three times the value of its annual hard currency earnings.

Western commercial banks are estimated to be holding \$1.8bn of Cuban debt. This is mostly short-term obligations, about 60 per cent of which is due in the course of this year.

Venezuela-Brazil talks open way for big leap in trade

By Kim Fuad in Caracas

THE MILESTONE meeting of President Joao Figueiredo of Brazil and Luis Herrera Campins of Venezuela appears to have opened the way to a leap in trade between the two Latin American neighbours.

Mr. Figueiredo's 44-hour official visit to Caracas last week — the first ever by a Brazilian chief of state to Venezuela in almost a century-and-a-half of the two countries' republican history — was the political gesture needed to break the ice of suspicion towards Brazil and convince Venezuelans that their huge neighbour was willing to take its new policy of closer ties with the rest of Latin America beyond mere rhetoric.

While the two heads of state talked politics, Venezuelan and Brazilian Government officials and businessmen drafted plans for expanding trade of about \$350m (£16m) to between \$2bn and \$3bn.

The trade package, which will take about a year to negotiate, according to Sr. Paulo Tarso Flecha de Lima, the Brazilian Foreign Ministry trade promotion chief, calls for the expansion of the present trade of oil for manufactured and agricultural products. The transfer of Brazil's intermediate technology to Venezuela also will have a central role in a wide range of areas.

Venezuela, whose trade has been based on a quid pro quo of oil for goods and services produced by industrialised countries since 1929, has been groping for years for alternatives to an economy based exclusively on non-renewable and declining conventional oil reserves. Its lack of success so far in establishing an effective non-oil industrial base through transfer of turnkey technology

from developed countries provides fertile ground for Brazil's intermediate technology. Many of the businessmen who accompanied President Figueiredo feel that sharing the Brazilian experience in establishing a solid manufacturing industry with Venezuela offers the best basis for a growing exchange between the two countries.

Venezuelan and Brazilian businessmen identified trade opportunities in five general areas — agriculture, finance, construction, metalworks and heavy industry and commerce and services.

Technology plays such a key role in trade between the two nations that growth in Venezuela's traditional exports of oil to Brazil hinges largely on joint efforts to turn the country's huge non-conventional heavy oil potential into a readily useable product.

Yugoslavs aid Peru irrigation

By Doreen Gillespie in Lima

PERU HAS signed a \$111m (£52.8m) construction contract with Energoprojekt Engineering and Contracting Company of Yugoslavia for the second stage of a major irrigation project in northern Peru's main cotton growing and fruit and rice production area.

The Yugoslav company is providing \$56m of the financing and the World Bank a \$56m loan repayable over 13 years from 1984.

The second stage of the project involves improving the irrigation system of the Chira Piura valleys in northern Peru where a dam and canals and drainage work have been completed in the first stage at a cost of \$352m. The first stage of this work began in 1971, and was also constructed by Energoprojekt with Elinac and Partners of London as consulting engineers.

A feature of the Chira Piura project is that it is basically a land and water use improvement project to improve irrigation of 116,000 hectares, although it is also aimed at incorporating another 40,000 hectares of farmland.

Work on the second stage is due to start in January for completion over three years.

Brussels sees potential in Rio

By Oiana Smith in Brasilia

HENRI SIMONET, Belgium's Foreign Minister, has urged Belgian businessmen to visit Brazil to study the country's enormous marketing potential.

Making the first official visit of a Belgian Government official in many years, Mr. Simonet said yesterday that Belgian interests have some \$150m invested in Brazil, mainly in chemicals and metallurgy. But as with all EEC members, the trade balance is in Brazil's favour, with an \$80m gap in 1978.

The Minister told a Press conference that Belgium's export efforts had been too strongly concentrated on EEC partners. But he added that there was one sore point affecting trade between the two countries.

For more than 10 years, Sabena, the Belgian national airline, had struggled to arouse Brazilian interest in Brussels-Rio flights, and has met with resistance from Varig, Brazil's international airline.

Reflecting Varig's chronic lack of interest, Brazilian aviation authorities had maintained that Brussels-Rio flights, shared by Sabena and Varig, were economically unjustifiable, largely due to the proximity of Brussels to Paris, from which Air France and Varig share regular traffic. An aide of Mr. Simonet's told reporters later that "if you say that Belgian trade with Brazil should go through Paris, we will close the doors."

Western commercial banks are estimated to be holding \$1.8bn of Cuban debt. This is mostly short-term obligations, about 60 per cent of which is due in the course of this year.

Matsushita in Mexico joint venture

TOKYO — Matsushita Electric Industrial will establish a joint venture in Mexico to produce electric batteries, the company announced.

Mr. Toshihiko Yamashita, the company president, said Matsushita had reached an agreement with Autlan of Mexico City on the project. The joint venture company would be named Baterias Panasonic Autlan, and would be located in Mexico City. It would be owned 51 per cent by the Mexican concern and 49 per cent by Matsushita. It will be capitalised at \$1.2bn (£2.3m). Initial production is to start in 1981, and 4m batteries a month will be produced. All will be marketed in Mexico.

Mr. Yamashita said, meanwhile, that his company's wholly-owned subsidiary in Mexico, Panasonic de Mexico S.A. de C.V. has started production of acoustic equipment and electronic parts this month. The subsidiary was established last year and capitalised at \$730m. AP-DJ

Fujita to use 400 Chinese in Iraq highway project

By Richard C. Hanson in Tokyo

FUJITA, a Japanese construction company, has contracted with China to use 400 unskilled Chinese workers in a highway project in Iraq which will commence next March. It is believed to be the first such use involving Chinese labour in commercial project.

Fujita signed the agreement with the China Civil Engineering Corporation, in Tokyo. The project involves construction of a highway between Baghdad and Hit, a distance of 70 miles. Faruhen, the Japanese trading house, won the contract last summer and designated Fujita as main contractor.

China is known to be eager to export labour for such work.

Following in the footsteps of other non-Communist countries such as South Korea, which has provided large numbers of workers for Middle East construction projects in order to help generate foreign exchange.

The workers will be paid standard world wage scales, of \$300-\$400 per month over the two-year construction period. Commercial companies have until now been reluctant to tap China because of uncertainties over what kind of workers could be provided.

China itself has assisted in Third World construction projects as a form of aid, most notably a railroad project in Africa in the 1960s.

BANGLADESH LNG RESOURCES

Dacca moves to boost gas exports

By Pearl Marshall, recently in Dacca

BANGLADESH is pushing ahead with some ambitious export-orientated projects to further utilise its natural gas resources. Its aim is to generate as much as \$1bn a year in foreign exchange.

The top priority in gas developments is an \$800m liquefied natural gas (LNG) project at Kutubdia, an island off the mainland, south of Chittagong. Japan, the U.S. and Greece have already expressed interest in LNG imports.

The go-ahead on construction depends on whether recoverable gas reserves at the Bakhrabad field, east of Dacca, are sufficient to supply the plant. These are currently assessed at 143 trillion (million million) cubic feet, and a further 4.5 trillion cubic feet must be found, in order to allow a 20- to 25-year supply.

Appraisal wells

There should be 450m cubic feet of gas per day available at peak," says Mr. Peter Riggall, operations manager of the London-based International Management and Energy Group (IMEG).

IMEG is preparing to undertake 20 appraisal wells in the northern part of the Bakhrabad field. If the proposed LNG plant is approved, IMEG will finance it on the Eurodollar market.

A second export-orientated gas-based project is being negotiated with the South Korean Development Corporation of Seoul.

The South Koreans have proposed a 300,000-ton-per-year sponge iron plant with exports aimed at Japan.

"We would only need 100,000 tons, so there will be 200,000 tons in excess," says Mr. Mozammel Haque of Petrobangla, the state-run hydrocarbon exploration and distribution corporation.

Much of the gas pipeline infrastructure for domestic use will be up for tender soon, and the prequalification notice is about to go out for the 100-mile, 4-inch pipe linking the Bakhrabad field with Chittagong, a separate development from the LNG project.

The World Bank is expected to lead funding, which could run to more than \$100m. The LNG is to be directed to

Chittagong's industrial sector, and a smaller-scale distribution network at Laksham, a town between the Bakhrabad field and Chittagong. The pipeline will also link with a proposed \$250m to \$300m fertiliser project in Chittagong.

The Government wants to involve private foreign capital in the financing of this fertiliser project, through the International Finance Corporation.

Later plans call for a tie-up by pipeline of all nine of Bangladesh's gas fields, most of which run roughly north to south on the eastern side of Bangladesh, and have a potential of around nine trillion cubic ft.

Development wells are also to be drilled in the southern part of the Bakhrabad field with assistance from the World Bank and Japan.

The Japanese are expected to do the drilling as only tied project assistance has been discussed. Work will start in the early part of next year for completion in 1981.

As these developments progress and gas begins to power more and more industrial centres, Bangladesh might be able to bring its oil import bill more under control, for despite its gas finds, Bangladesh has yet to strike oil.

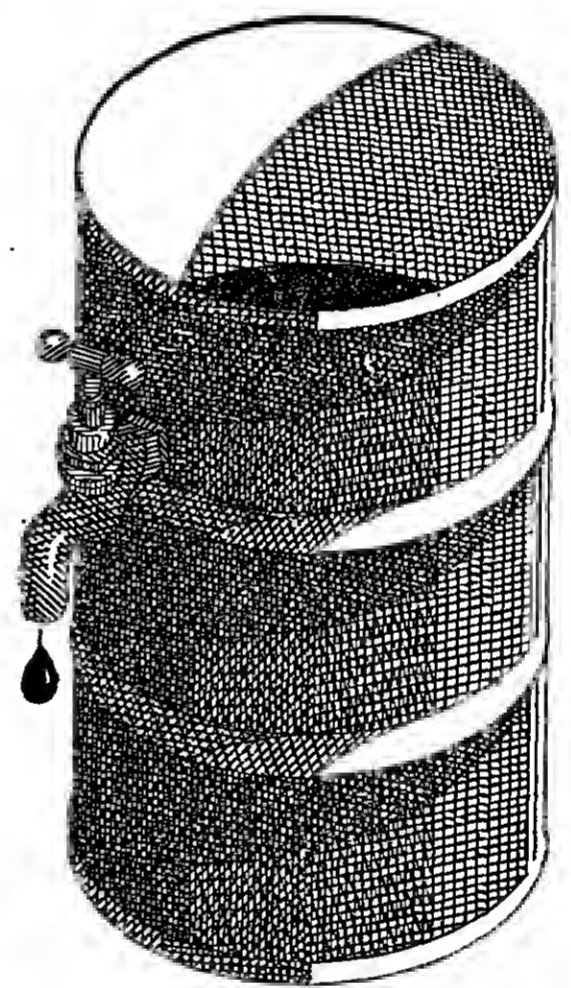
Domestic needs

Last year's oil imports totalled \$220m, but this year the figure of \$350m has been quoted, and there is a suggestion that the bill could go as high as \$400m. The country imports its oil from Saudi Arabia and the UAE and is now looking to Qatar for the final 800,000 tons to fulfil its 1980-81 requirements of 2.2m tons.

On the domestic energy front, the country is looking to supplement its electricity supplies with 125mw nuclear reactor about 100 miles west of Dacca.

It is currently looking for financing and management expertise. It signed the nuclear non-proliferation treaty in August.

"We have talked with many countries including the French," says Dr. Rowshan Alam Ghani, the Minister of State for Scientific Affairs. "We promised the nation that this plant would be operating by 1986, so its high time we started."



On tap?

Finding new oilfields gets harder all the time. So we ought to be tapping every last drop from the fields we already have.

Unfortunately, we can't. For every drop of oil produced, another one, two or even more have to be left behind, depending on the nature of the field.

In principle, you'd think it would be as easy as turning on a tap. An oil reservoir is a zone of porous rock saturated with oil under pressure. Drill an escape hole, and the oil gushes out; when the pressure falls, pump out the rest.

Simple.

In practice, oilfields are misshapen, fractured or faulted, often hiding their oil in inaccessible pockets. The oil clings to every particle in the rock: imagine trying to tap oil from a barrel of sand.

Even the best-behaved fields give up only about 50 per cent of their oil to present recovery methods; the rest is either too difficult or too costly to extract.

Some give up none at all. About 35 miles west of Shetland there's an oilfield the size of Birmingham, one of the biggest in Western Europe. It hasn't been exploited because the grains of sand in the reservoir are clogged with tiny particles of clay, and the oil itself is too thick and heavy to flow through.

New technology to improve recovery would be as valuable as new oilfields. Even a one per cent improvement could pay staggering dividends.

So what can be done?

At Mobil's Beryl field in the North Sea, we're injecting gas and water into the

reservoir to flush out more oil than we'd otherwise retrieve.

Scientists at Mobil's Field Research Laboratory in Texas are pooling their worldwide experience to develop more exotic techniques — like pumping in carbon dioxide, steam or a mixture of water and detergent chemicals. Some of these elaborate methods are still too expensive to be worth using, but we're working to bring down the cost.

Improved techniques will probably never recover all the oil we find — at any price. But they do offer a chance to extend the life of existing fields; and perhaps, one day, to put even that Shetland field on tap.

Fourth in a series on energy issues.



£15m development by Ferranti

By Robin Reeves, Welsh Correspondent

FERRANTI Computer Systems yesterday announced a £15m design, development and research unit at Cwmbran, South Wales, to develop new systems, mainly for defence applications. It also unveiled its first order for the new unit — a £2.5m contract for the design and development of a comprehensive data processing and display system covering both air defence and air traffic control requirements. The Cwmbran development will be expanded in three stages and expects to provide about 1,000 new jobs, the majority of them for skilled personnel in the computer field by the mid to late 1980s. It includes a new

office building to be financed by the company and completed by 1981. The new unit has already been constituted as an autonomous Department of the Bracknell division of Ferranti Computer Systems and given the task of working on digital systems, modules and software. The decision was warmly welcomed by Mr. Nicholas Edwards, the Secretary of State for Wales. Ferranti has lost a Government grant of some £680,000 towards the cost of the new office block as a result of the phasing out of regional grants in intermediate development areas from next August 1.

However, the Welsh Office has agreed to a grant of £430,000 towards the development under the Industry Act selective investment scheme. Mr. Derek Alun Jones, managing director of the Bracknell division, explained that one of the attractions of Cwmbran had been the prospect of being able to recruit sufficient staff of the right calibre and keep them, a task which was becoming increasingly difficult in the Berkshire "software belt". Elaine Williams writes: Ferranti's expansion in Wales is in contrast to the sale of several of its other activities during the year. At the beginning of

the year it sold its Canadian subsidiary, Ferranti-Packard to Northern Engineering Industries; it disposed of its special components department—which makes cathode ray tubes—to Thorn electrical Industries and its helicopter subsidiary went to Caledonian Airways. Ferranti, whose turnover last year was £182.1m also decided to run down its transformer division because of the world-wide recession in this aspect of the industry. The company has committed itself to concentrate on electronics and related activities since it is these areas which are expected to show the greatest growth in the future.

Only 30% of Scots buy their homes

By Ray Perman, Scottish Correspondent

SCOTLAND has a lower proportion of owner-occupied housing than many countries of Europe, including Eastern bloc states such as West Germany, where there is a high level of privately rented accommodation. The latest volume of Scottish Housing Statistics, published yesterday by the Scottish Development Department, shows that the proportion of Scots families which own their homes, although rising over recent years, is still only about 30 per cent. In contrast, the level in West Germany is about 5 per cent higher and in Hungary nearly twice as high. Belgium, Italy and France also have substantially higher levels. The growth in owner occupation in Scotland has been nearly matched over the last decade by an increase in the amount of public sector rented accommodation, with the private sector being squeezed in the middle.

Scotland now has the largest public sector in the UK, with 54 per cent of all homes provided by local authorities, or other public bodies, such as the new town development corporations and the Scottish Special Housing Association. Professor Rose also notes that the complete abolition of exchange control, by enabling an otherwise unsatisfied demand for advances to be financed by sterling deposits with offshore banks, creates potential loopholes in the corset. By giving UK residents access to overseas investments, it also blurs the effect of interest rate policy.

Pharmacy report expected to spark price war

THE START of a full scale price war between pharmaceutical wholesalers seems to have been signalled by the report on payment for retail chemists which is being considered by the Department of Health. Skirmishes have been going on for years. But the report, drawn up by the Independent Profit Assessment Panel, has declared, more or less officially, that pharmaceutical resale price maintenance is dead. The discount battle can start in earnest.

Resale price maintenance, which enables manufacturers to lay down wholesale prices, was retained for pharmaceuticals after it had been abolished for nearly all other goods. The major drug manufacturers have fought hard to keep it going, but even they now admit it has gone by the board for all practical purposes. The wholesalers proved too adept at finding ways round it. The report suggests wholesale discounts on medicines may already be worth about £20m a year to the 9,500 retail chemists in England and Wales. The panel says its understanding "it is now common for chemists to obtain discounts of 10 per cent on all purchases from a single wholesaler over the first £1,000 per month, for payment on normal credit terms."

It concludes that once allowances have been made for small, rural chemists without the turnover to warrant big discounts, "an average-sized independent chemist should be able to obtain an average rate of discount of about 5 per cent." On this basis, the figure of £26m a year has been calculated. But the greater part of the £26m is not being taken into account by the Department of Health when it reimburses retail pharmacists for the cost of their drugs. Most of it—some allowance is already made for discounts—is an overpayment by the Government to the chemists. The chief recommendation of the panel's report was chemists should be allowed a 27 per cent return on capital employed.

rather than the present 16 per cent return. If this suggestion is implemented by the Government it will be worth an extra £16m a year to retail pharmacists. But if they are already being overpaid to the tune of £26m a year, they will be left in a worse, rather than a better position. Yesterday, the Pharmaceutical Services Negotiating Committee, which represents the chemists, agreed if £26m a year was deducted from the amount paid to retail pharmacists by the Government the effect would be "serious". The panel admits the £26m figure is only an estimate and has called for an inquiry into wholesale discounts. The PSNC is backing the idea of an inquiry and is also at pains to point out the discount sum should not

necessarily be set against an increase in percentage return on capital employed. It feels the two should be seen as separate parts of the same system. All the same, the committee is worried. It believes the discount war between pharmaceutical wholesalers will be comparatively brief though fairly high in casualties. Once some of the smaller wholesalers have been forced to the wall and some of the larger ones have had to close a number of their depots, the position on discounts is likely to be stabilised.

The PSNC fears an inquiry into the value of wholesale discounts will come up with a global sum which will quickly become outdated. Retail chemists could then find the Government deducting a sizeable amount from their payments—but they themselves are no longer able to make up the money through discounts. The PSNC's view that the war between pharmaceutical wholesalers will be nasty, brutish and short, seems to be accepted by some of the wholesalers themselves. Macarthy's, one of the largest UK pharmaceutical wholesalers, reckons a number of its smaller competitors will be forced to close, and some of the bigger wholesalers will also be made to reduce the number of their depots. It estimates there is about one wholesale depot for every 60 retail chemists in the country. It says some London area chemists probably have a choice of up to 27 deliveries a day from 5 or 6 different wholesalers.

SUE CAMERON on the implications of a report being studied by the Department of Health.

Fewer betting shops

FINANCIAL TIMES REPORTER

MORE THAN 3,000 betting shops have closed and more than a quarter of Britain's bookmakers have gone out of business in the past 10 years, according to Government figures published yesterday.

There were 12,475 betting shops in May this year compared with 12,512 in May last year and 15,490 in May 1969. In the year to May 31 this year, bookmakers' permits fell from 7,960 in the previous year to 7,881. The total in 1969 was 10,723. The only area to record an increase was Wales, which ended the year with 13 more bookmakers but 46 fewer betting shops.

Ladbroke and Mecca, two of the big four gambling chains, said yesterday the closures were the result of steadily rising costs. The number of Ladbroke shops had fallen from 3,100 to about 900, but had since risen to 1,010. Mecca has 650 shops.

Customs and Excise statistics show that last year the amounts staked increased more than 1 per cent in cash terms but were 7 per cent down in real terms.

Betting Licensing Statistics, Great Britain, June 1979 to May 1979; Stationery Office; £1.25.

Call for urgent reform to monetary control system

By Peter Riddell, Economics Correspondent

EXISTING TECHNIQUES of monetary control need urgent reform, according to Professor Harold Rose, group economic adviser of Barclays Bank. Writing in the latest issue of Barclays Review, Professor Rose discusses whether the present reserve asset ratio system to which banks have to conform should be replaced by a narrower cash ratio or monetary base system, which would be more closely under the control of the Bank of England.

Professor Rose sees a number of advantages in a change. In particular, "a cash ratio system would have the advantage not only of providing a greater element of predictability as to the likely results of official operations, but also of lightening the emphasis which the present system requires to be placed on sales of long-term public sector debt to non-bank investors."

The future structure of monetary controls is now being considered by the Treasury and the Bank of England and a consultative paper is likely to be published shortly. Some Treasury ministers and officials are known to be sympathetic to proposals for some form of monetary base system, though the Bank of England has had reservations about some of the alleged advantages. Similarly, the clearing banks have differing views on the desirability of reform.

In his article, Professor Rose suggests that the reserve asset

system might be strengthened as a first step to a cash ratio system. "The existing bundle of monetary policy control techniques, containing as it does a regression to undesirable forms of compulsion, to compensate for its weaknesses, needs to be reformed; and the temptation to evade the issue on the grounds that 1980 may bring a slower growth in advances and, there-

fore, in the money supply, must be resisted." Professor Rose also notes that "the complete abolition of exchange control, by enabling an otherwise unsatisfied demand for advances to be financed by sterling deposits with offshore banks, creates potential loopholes in the corset. By giving UK residents access to overseas investments, it also blurs the effect of interest rate policy."

Hearing on domestic air fares to open today

By Michael Donne, Aerospace Correspondent

THE CIVIL Aviation Authority today starts three days of public hearings in London into applications by various airlines for rises averaging 10 per cent in domestic air fares.

The applications for the rises were made some time ago, with the aim of introducing them on November 1. But because of pressures on the authority—including the lengthy public hearings into the bids for new routes at ultra-cheap fares from Gatwick to the Continent, which are still in progress—it has not been possible to study the domestic fares plans until now.

Most of the airlines flying internal routes are involved, including British Airways,

British Caledonian Airways, British Island Airways (now part of Air UK), Brymon Airways, Dan-Air, and Intra Airways.

Several hundred fare rises are involved, but the most significant increases sought are those from the present £37 single to £41 in the fare on the trunk routes between London (Heathrow) and Edinburgh, Glasgow and Belfast.

The rise sought in the fare between London and Manchester is £2.70, from £25.30 to £28 single.

The authority is expected to make up its mind quickly on the applications, and decisions could be announced in two weeks.

Ulster bids for car work from U.S.

By our Belfast Correspondent

THE NORTHERN IRELAND Development Agency is to launch a campaign to persuade overseas manufacturers of automotive components to consider Ulster as a base for operating in Europe. Initially it will concentrate on the U.S. The province is already an important supplier of parts to the Continental motor industry, but the agency sees room for considerable development in the light of forecasts of a 3 per cent a year growth in European car production to about 13.5m cars a year by 1985.

Announcing the new drive yesterday Mr. Frank Galbraith, head of the agency's marketing division, said: "The campaign will pursue the establishment of enterprises in Ulster, either through direct inward investment or by joint ventures with existing local company or even licensing agreements."

Up to 200 U.S. companies in the components industry will be contacted. The agency is aiming at second-line manufacturers rather than the major groups in an attempt to find companies who are examining European possibilities as a

result of static U.S. car production.

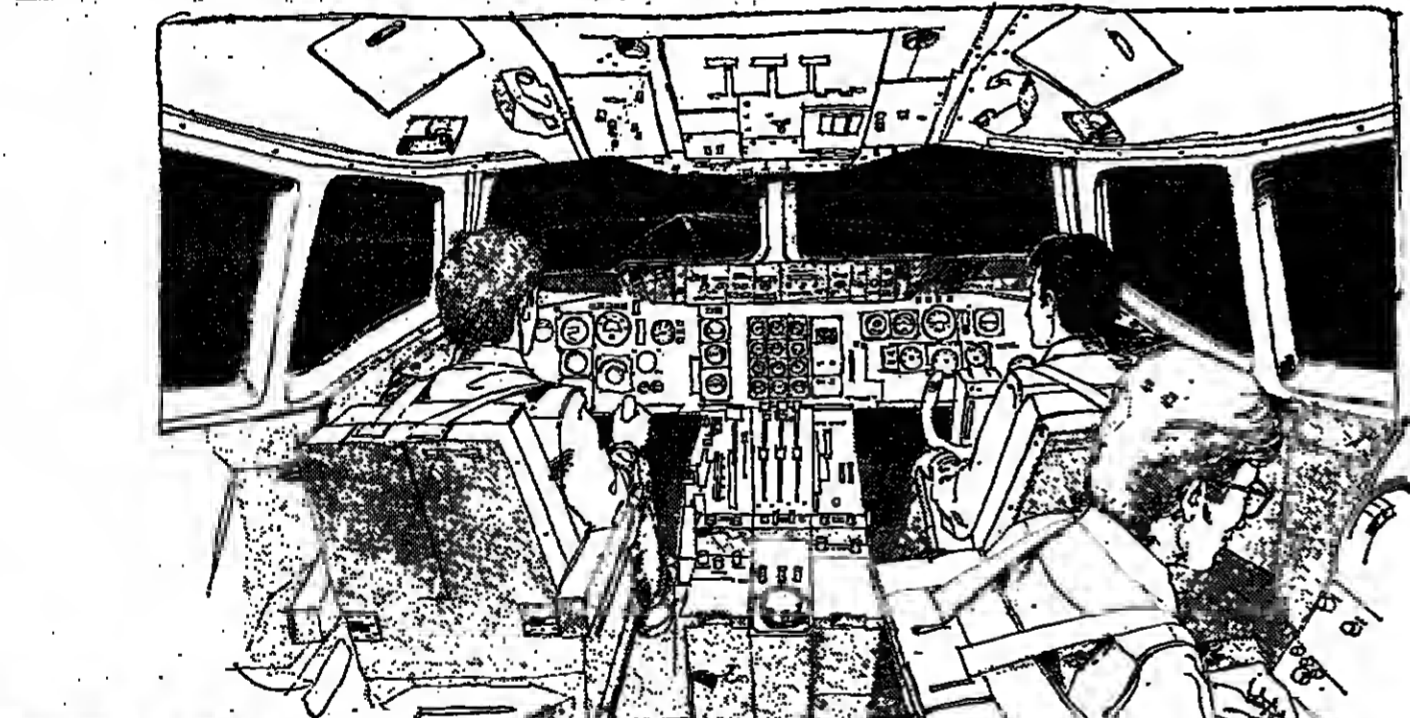
Promotional material illustrating the opportunities offered by Northern Ireland for entry into the European markets will be distributed in America. This will be followed by discussions with interested companies in an effort to encourage them to visit the Province.

The agency will emphasise that skilled labour is available and will cite the record of existing component manufacturers such as Teneco Walker (UK), which makes exhaust

systems, and the Essex Group, part of Essex International of Indiana, which manufactures wiring assemblies.

The sector has already been stimulated by the arrival of the General Motors subsidiary, Fisher Body, to produce seat belts, and by the De Lorean sports car assembly plant nearing completion at Belfast.

The campaign, which will later be extended to Japan and other countries, is based on research into the original equipment market and the far larger replacement market.



Ideas in flight

You can land in Lagos and never leave L.A.

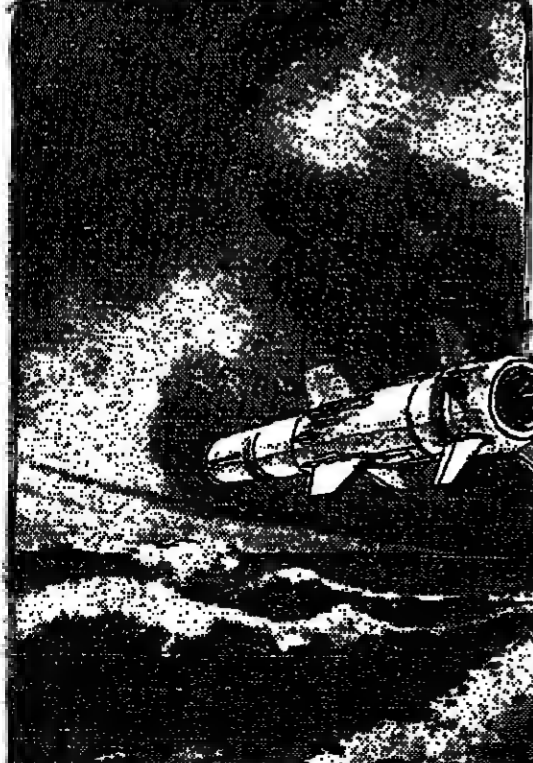
Time was, you had to fly to Lagos to learn how to land there. Not any more. Now there's VITAL IV, a computerised visual simulation system that creates a precise, full-colour, moving image of what pilots really see when landing or taking off. Day or night. Under any weather conditions. At hundreds of airports world-wide.

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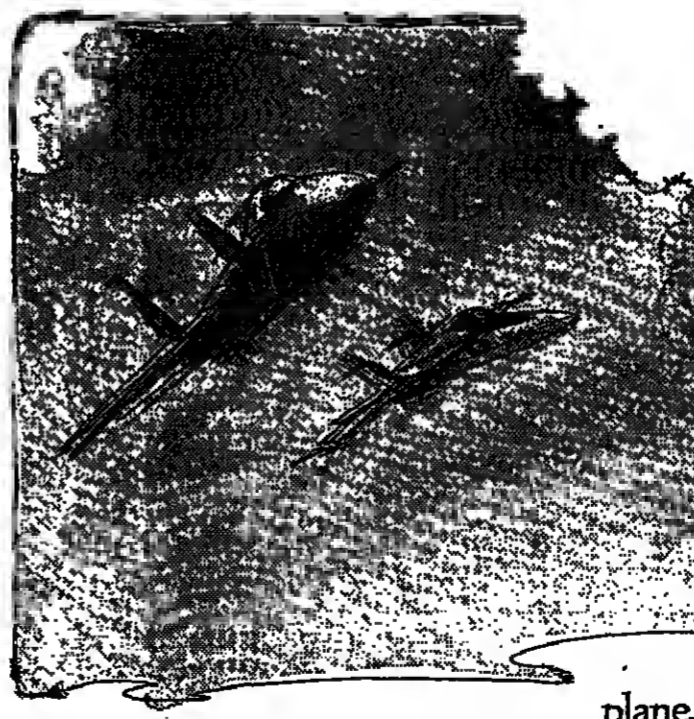
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MCDONNELL DOUGLAS

COLIN AMERY ON THE THE WAY A STREET'S FATE IS DECIDED

The development that is putting Britain's planning system on trial

THE BRITISH planning system is on trial. The proceedings can be witnessed at a planning inquiry that has been running since May in a nondescript South London hall.

Ostensibly, the inquiry is to decide the fate of 16 acres of land on the South Bank of the Thames around Coin Street, but the conduct of the inquiry and the decision will have serious consequences for the future of the inner cities and the planning system.

Is a lengthy planning inquiry a fair process to decide issues of environmental quality? The basic decision to be made at any inquiry concerns the use of land. The procedure for deciding this has been devised to ensure that social, environmental and commercial interests all have a fair hearing.

During the lengthy Coin Street inquiry it has become clear that in a quasi-legal atmosphere where development decisions are tortuously worked out before the inspector, the developer with the expensive, well-briefed QC has the real advantage.

It is in the interests of the developer to spend large sums of money, as he has the chance

of a high return if the inquiry goes his way. Local amenity groups are unlikely to have the funds to employ high-powered planning QCs or to conduct elaborate research.

The case put forward by local groups is usually already well known in the area. There is little point in local representatives following the example of counsel who spin out the proceedings in their clients' interest.

Polarisation

The inspector, and ultimately the Minister of the Environment, have to decide whether Coin Street should be used for a large office development, or for low rise housing and a riverside park.

There is inevitably polarisation between supporters of the rival proposals. On one side are the developers. At this inquiry, Greycourt Estates has emerged as the leading contender for the site. On the other side are the community action groups, backed by their local authority.

Coin Street is at present mainly derelict land between the National Theatre and Black-

friars Bridge. There is little on the site that is worth preserving. Even London Weekend Television's ugly new offices could hardly be described as a visual asset. Some conservationists have called for the retention of the OXO tower, but it is hard to take them seriously.

The main feature of the site for London is that it is a clean slate, an opportunity to add something worth while to the river view.

The history of the site is important in planning terms. It is a part of the 1977 Waterloo District Plan, which allocated the land for family housing for the local community. This plan received strong local approval and was endorsed by the Greater London Council, then Labour controlled, both as the strategic planning authority and as a major landowner—the earlier London County Council had acquired much of the site for the comprehensive redevelopment of the South Bank.

The new Conservative-controlled Greater London Council completely changed the planning picture. The details are complicated, but, in essence, several developers saw the gleam in the GLC's eye and put

forward massive proposals for office developments sweetened with fringe benefits for the locals. Those proposed at one time added up to 14m sq ft, equal to nine Centre Points.

Only at the mid-inquiry stage did Greycourt Estates pull its big rabbit out the hat by calling in the architect of the successful Centre Pompidou in Paris to produce a scheme for the whole of the Coin Street site.

Mr. Richard Rogers produced a plan at great speed which introduced the first signs of aesthetic excitement to be seen on the South Bank since the opening of the National Theatre. Sensitive to public dislike of damp, exposed concrete, Mr. Rogers proposed a long snake of glass that would provide covered public spaces as well as offices and some housing.

Isolation

Since one of the drawbacks of the South Bank has always been its isolation, the architect proposed a new and elegant suspension bridge that will land on the North Bank near the Temple and, it is hoped, lure people across the river. It is always difficult to sense

the scale of a development from a model, but the scheme is about a third of a mile long and is intended to feel like a grand Galleria full of shops and delights for the tourist.

The fact is that however attractive the Greycourt scheme appears, it is another architectural monolith on the wrong site. The public inquiry has produced evidence to show that the offices which would pay for all the fringe benefits may not be needed in Central London. There is also plenty of evidence that there is a real need for inner city housing for people of all income groups, particularly the lower paid who operate London's vital services. Offices are now more likely to succeed in the outer boroughs where there is a likely resident source of clerical labour.

But this very long inquiry, which has cost about £1m so far, has shown that the GLC favours more large-scale office development and is not really concerned to enhance the community life of south London.

It would have been a splendid thing if the Coin Street inquiry had produced an architectural solution of real sensitivity and distinction, but although Mr.



Rogers' scheme is flamboyant and innovative, it depends heavily on a mass of offices which cannot be disguised or made architecturally exciting. The decision will rest with Mr. Michael Heseltine, the Environment Secretary, and he would be well advised to do two things. He should heed the views of the Town and Country Planning Association and not upturn planning procedures until he can find a way to ensure the fairness of the inquiry system. And he should take a pleasant walk on the north bank of the river. He will find himself in

the Temple, one of the most attractive areas of London. Why shouldn't the south bank be as desirable as the Temple for homes, parks and open spaces? If commercial interests win hands down in Coin Street, the credibility of the planning system will face a severe test. The minister has an opportunity to make a mark on London. Once he has read his inspector's report with the utmost care, he would be wise to consider organising a full-scale architectural competition for the whole area. It is the only way out of this planning impasse.

Richard Rogers' design for Greycourt Estates (above) would give Coin Street a large office complex with an arcade of shops and other public amenities through the centre. Housing is included on the landward side of the offices and a suspension bridge planned for pedestrians. Lower picture: Coin Street today: derelict housing, redundant warehouses and car parks. The Thames Television office tower is the dominant landmark.

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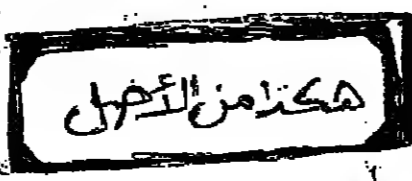
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BRITISH GAS



New code will make GLC architects pay their way

LONDON'S ratepayers are to be given a more realistic idea of the cost of buildings erected by the Greater London Council.

The council's Department of Architecture is to be managed on the same basis as a private architectural practice. In future the architects will be asked to produce quarterly income and expenditure figures.

Mr. Cyril Taylor, chairman of the professional and general services committee of the council, said that the GLC would in-

Swindon clothiers moving

ROB ROY, the children's clothes firm, is pulling out of Swindon, Wiltshire, after 13 years in the town, to expand their business at a new factory in Shephard, Leicestershire.

Sixty machines will be made redundant because of the move, while only a handful of top executives will be kept on.

A drastic fall in Christmas orders at the Clover Leaf table mat and giftware company in Swindon has forced the management to cut their workforce.

They will be seeking 70 of their 630 workers, it was announced yesterday.

Mine output record

MINERS in north Nottinghamshire were praised by The National Coal Board yesterday for their record-breaking production.

The 18,000 men at 15 collieries in the area produced their highest ever output for one week during November, with a figure of 275,957 tonnes.

N-fuel process starts up again
REPROCESSING of nuclear fuel has been resumed at the Windscale works in Cumbria, where a fire caused a minor radiation leak four months ago. The shutdown was followed by a strike for dangerous condition money. Rods of uranium for recharging reactors are handled in the building where the fire broke out.

What are DEACON giving ALLDERS customers for Christmas 1979?



UK NEWS—LABOUR

Steel unions lukewarm on protest call

BY PHILIP BASSETT, LABOUR STAFF

KEY TUC steel unions seem unlikely to give their support to the programme of industrial action called for by the largest union in the industry over British Steel's decision to end iron- and steel-making at its Corby and Shotton works. The Government yesterday announced that Shotton, in North Wales, which will lose 6,420 jobs in the closure, is to be made a special development area. This follows a similar recent announcement giving development area status to Corby, in Northants, where closure will mean the loss of 6,000 jobs. Mr. Nicholas Edwards, Welsh Secretary, told the Commons that he had also asked the Welsh Development Agency to spend an extra £15m over the next three to four years on factory building in the Shotton area. Its main task would be to complete work on the Deeside industrial park, and to make an early start on advance factory building. He said the status would be a "substantial benefit, with the highest rates of regional incentives available to firms. Nearly 1,000 new jobs in the Shotton area, and more than 2,000 in the nearby Exham area were expected as a result of projects planned or under way.

A rag-bag

The Manpower Services Commission would set up a job centre in the steelworks, and more than 4,500 training places would be available at skill centres, colleges and companies in Clwyd, Cheshire and Merseyside. Mr. Alan Williams, Opposition spokesman on Wales, said the proposals were a "rag-bag of non-events," and other MPs doubted the likelihood of the number of jobs referred to becoming available. Key unions, including the

Fleets cuts warning to seamen

By Our Labour Staff

SEAMEN'S UNION negotiators, currently in the middle of their annual pay negotiations, were warned yesterday that if the industry's costs continued to rise through high wage settlements, there was "bound to be a further decline in the size of the fleet."

"I do beg the unions to realise what this continued falling of inflation is doing to their job prospects," said Mr. David Ropner, president of the General Council of British Shipping, in Glasgow. The council meets National Union of Seamen negotiators in London on Friday to resume pay talks. Mr. Ropner described the negotiations as "very difficult." The employers had just concluded an agreement with Merchant Navy officers which, at 17.5 per cent, was a far higher percentage than those being agreed in other countries. This, however, was not the end of the story. An offer of 19 per cent to the NUS had so far been rejected.

"Naturally I sincerely hope that good sense will prevail and that an agreement will be reached. But this continued escalation of costs is bound to have a further, and serious, effect on our competitiveness."

Murray warns on law change

BY ALAN PIKE, LABOUR CORRESPONDENT

UNIONS WILL enlist the support of employers in an attempt to convince the Government that its proposed labour law changes will harm industrial relations. Mr. Len Murray, TUC general secretary, said yesterday.

Mr. Murray said the TUC would tell affiliated unions to point out to employers the dangers for them in Government proposals. Many employers would say they would not be affected — but there had been problems after the Conservative's 1971 Industrial Relations Act, not because employers had sought them, but because of eccentric and provocative individuals.

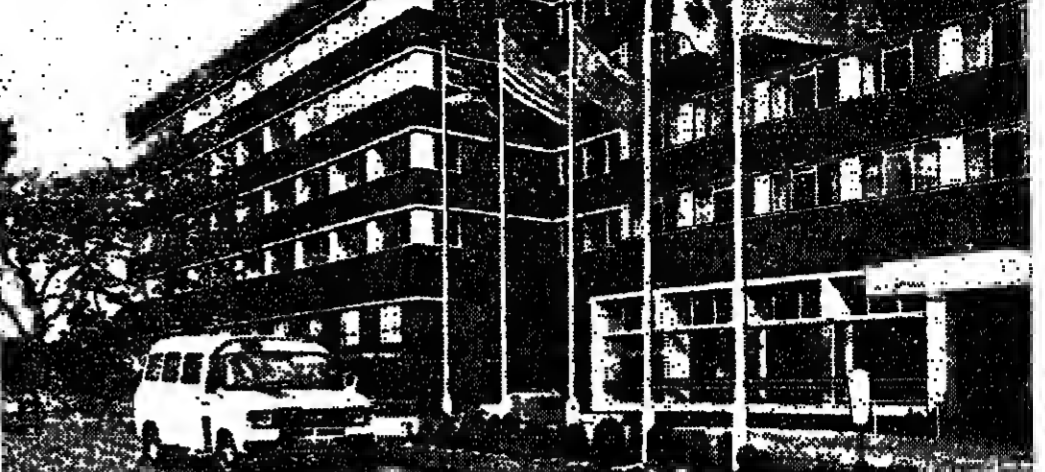
The TUC yesterday launched the latest phase of its campaign against the law changes with the publication of a booklet Bargaining or Battleground? The TUC booklet claims that "the Government's motive is not the promotion of industrial peace or the protection of personal freedom, it is the pursuit of political prejudice." It says the proposed changes would weaken the rights of individuals and pose major threats to the rights of workers to take industrial action. National officials of unions will be called together by the TUC in January to consider the



Len Murray and pamphlet

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(Manager, Gosforth Park Hotel, Newcastle)



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Civil servants' walk-out closes welfare offices

BY PHILIP BASSETT

CIVIL SERVANTS throughout the country walked out of local social security offices yesterday in protest at the suspension of staff in London and Nuneaton who were banning overtime because of the Government's proposed cuts to Civil Service manpower costs.

The Department of Health and Social Security said that by lunchtime about 8,500 staff were involved. Some 190 offices were affected, with 172 closed down. The Civil and Public Services Association and the Society of Civil and Public Servants argued that many of the union meetings against the suspensions were at lunchtime, and that the Department's figures did not therefore give the true position.

The CPSA estimated that up to 20,000 of its members were involved in the day's actions, closing more than 200 local offices. The Society said that about one-third, or 8,000, of its DHSS members took part.

The walk-outs followed the suspension of one association and one society member at the Kennington office in South London. The unions expect that another seven staff will be suspended today and one or two more tomorrow.

Distribution dispute costs Times 27,000 copies

BY LISA WOOD

MORE THAN 27,000 copies of The Times failed to reach newsagents' shelves yesterday after 180 employees of Britain's biggest wholesale distributor refused to handle them.

Members of the Society of Graphical and Allied Trades in Peckham and Wimbledon, South London, refused to handle The Times without extra payment.

W. H. Smith, which has five wholesale houses in London, said yesterday that talks were still proceeding with the men in the two South London houses. But it was not prepared to pay the SOGAT members any extra for handling the newspaper.

Distribution problems put a hiccup in the re-launch of the newspaper which reported more than 90 per cent of sales of its print-run of 452,000 which was 50 per cent higher than normal.

The Times Higher Education Supplement and The Times Education Supplement, are scheduled to reappear this Friday.

A Times official said the first issues had received heavy bookings from advertisers. He did not believe the two specialist supplements would suffer from inroads into the market made by The Guardian.

A dispute between two unions—the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel—over whose members should control the flow of newspapers into a stacking machine, still has to be resolved before Saturday.

The disputed machinery was not used yesterday. However, publication of the Sunday Times will require the use of all machinery.

New code aids worker links

A NEW British Institute of Management publication on employee participation has been sent to the 500 largest private-sector manufacturing companies in membership of the Institute.

The code emphasises that communication and participation are a two-way affair.

Hospital strikers told to go back

THE AMALGAMATED Union of Engineering Workers' executive yesterday instructed its members on strike at the Charing Cross Hospital, London, to resume work.

Its statement said: "No matter what problem exists in the hospital, we should make every attempt to resolve it without any unnecessary hardship to the sick and disabled patients."

The union told striking engineers that they should resume normal working immediately in an attempt to resolve the dispute under normal disputes procedure. If the engineers refuse to obey the instruction, the hospital could run out of heating oil by the end of the week.



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Carrington hints at Muzorewa deal

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

HINTS WERE given by the Foreign Secretary last night that the Government may consider doing a separate deal with Bishop Muzorewa if the Patriotic Front does not reach agreement at the Lancaster House talks.

"We want and shall continue to strive for a settlement involving all the parties," Lord Carrington told the House of Lords.

"This would be the surest guarantee of an immediate end to the war. But, if this is not attainable, we cannot allow the best to become the enemy of the good."

In defence of the Government's two-day deadline for agreement, he said that the conference had now reached a critical point. It would be misleading to suggest that any useful purpose would be served by delaying the moment of decision.

"With an agreement already reached on a genuine majority rule, and an end to the rebellion against Britain's authority, there can be no turning back," he emphasised.

The Foreign Secretary also indicated that the Government

had gone as far as it was possible to go in making compromises during the negotiations. The proposals now on the table were the only basis for agreement.

During the passage of the Southern Rhodesia Bill in the

Lord Carrington had said on this point and what had been said by Sir Ian Gilmour, the deputy Foreign Secretary.

Dealing with this in the Lords yesterday, the Foreign Secretary declared: "The Governor will go out to Rhodesia as soon

the Lords' second reading debate on the Southern Rhodesia Bill, which enables the Government to return Rhodesia to legality by the appointment of a British Governor in Salisbury. Labour moved an amendment

ment exists. The proposals which the Government has laid before the conference represents what we believe to be fair to all the participants.

"Because one side has accepted them does not mean that the bargaining should now start once more to shift the balance to a point halfway between the position now on the table and the position taken by the Patriotic Front."

"That would represent a very fundamental miscalculation of the nature of these negotiations."

The British offer was a good one and the best that could be negotiated.

"Prevarication and postponement will not improve it," he stressed. "Indeed, the achievements of the conference will be jeopardised if the present momentum is lost."

To have renewed Section Two sanctions would have been churlish and petty, and an extraordinary way to acknowledge the concessions that had been made so far at Lancaster House. He envisaged that Britain would be in a position to lift all sanctions in "a very short period."

Prevarication & postponement will not improve the British offer. Indeed, the achievements of the conference will be jeopardised if the momentum is lost.

Commons on Monday, the Opposition repeatedly expressed fears that the Government intended to implement the legislation, even if there was no agreement with the Patriotic Front.

Labour was worried that, if a British Governor were put into Salisbury without all-party agreement, then he could find himself using British troops in a war against Patriotic Front guerrillas.

Labour had repeatedly questioned the Government about apparent discrepancies in what

as a cease-fire is arranged.

"Naturally, if an agreement is not reached, the Government will have to reconsider the position in the light of what has happened at the conference and the responsibility for the deadlock."

From the Opposition front bench, Lord Kilwa-Jones voiced suspicions that the Government might be acting in a state of despair and contemplating a second-best solution with a bilateral deal with Bishop Muzorewa.

regretting the decision not to renew the Section Two sanctions against Rhodesia.

The Bill was expected to go through all its remaining stages in the Lords last night and to receive Royal assent today.

Opening the debate, Lord Carrington said that the British proposal to appoint a governor was clear evidence of the Government's determination to find a fair and honourable settlement.

"I do not believe that any other viable basis for agree-

Healey baits PM over higher interest rates

BY PHILIP RAWSTORNE

THE Prime Minister was accused, amid uproar in the Commons yesterday, of proposing tomorrow to saddle the country with the highest interest and mortgage rates in British history.

Mr. Denis Healey, former Labour Chancellor, anticipating a rise this week in Minimum Lending Rate, led a fierce Opposition attack on the Prime Minister.

Mrs. Thatcher retorted defiantly that the Government's

sustained programme of public spending cuts was the right way to tackle the country's economic problems.

"We cannot go on spending money which the nation does not earn," she declared.

Mr. Healey recalled caustically that Mrs. Thatcher had described a 14 per cent interest rate as "an intolerable burden" on home buyers and small businesses.

Would she explain to the National Economic Development Council—at which she is

to take the chair on January 9—how industrial performance was to be improved?

Mrs. Thatcher had already given the country its highest inflation and its lowest output, he said. Now she proposed to go further and saddle it with the highest interest and mortgage rates in history.

Amid cheering and jeering from the backbenches, Mrs. Thatcher snapped: "You still hold the record for the highest inflation rate."

If Labour's planned levels of

public expenditure had been maintained interest rates would have been "right up" and inflation next year higher.

"If we are to get interest rates down, we must get public expenditure down as a proportion of national income," she said.

Mr. Healey replied: "Are you telling us that next year public expenditure will be a lower percentage of gross domestic product?"

"If so, your view is not shared by anybody in the country."

Mrs. Thatcher rejoined that Mr. Joel Barnett, Labour's former Chief Secretary, had pointed to be problem. "We have to face the unpalatable fact that with, at best, low rates of economic growth, and at worst, nil growth or negative growth, public expenditure cuts will be necessary."

Challenged again by Mr. Healey, she added: "We are embarking on a sustained programme of trying to get down public expenditure. That is the right programme for Britain."



RECEPTION COMMITTEE: Mrs. Margaret Thatcher, Mr. William Whitelaw and Lord Carrington wait to greet President Suharto of Indonesia.

Roger Taylor



Problems of textiles industry 'exaggerated'

BY IVOR OWEN

BRITAIN'S clothing manufacturers were last night urged by Mr. Cecil Parkinson, Minister of State for Trade, to become more competitive and accept that consumer interests will require greater consideration in future negotiations over low cost imports.

He accused Opposition leaders in the Commons of exaggerating the difficulties now faced by the woollen and textile industries. He rejected a demand by Mr. John Silkin, Labour's shadow Industry Minister, that the Government should consider taking unilateral action to restrict imports of U.S. man-made fibres.

At the same time, Mr. Parkinson criticised the delay by the EEC Commission in establishing whether unfair competition was being caused by U.S. man-made fibre imports.

He promised that the issue will be taken up again as a matter of urgency at next week's meeting of the EEC Council of Foreign Ministers.

Britain was also pressing for an early conclusion to the investigations by the EEC Commission into wool textile exports from the Prato region of Italy.

Mr. Parkinson highlighted the need to take greater account of consumer interests when making it clear that the Government intends to negotiate successor arrangements when the present Multi-Fibre Agreement ends in 1981.

While reaffirming that the Government would seek action by the EEC Commission when unfair competition could be established, he insisted that the clothing and textile industries were losing ground to some com-

petition, which it ought to be able to beat. Action was needed from within the industries themselves to improve productivity, the quality of output, standard of design and the ability to meet delivery dates.

The Government could not do the industry's job, Mr. Parkinson declared: "Whether we like it or not, we live in a harsh competitive world and we will not reverse our industrial decline if we permanently shelter the textile or any other industry from these realities."

Mr. Silkin maintained that Britain's wool and textile industries were facing a crisis which was in danger of developing into something of the nature of a catastrophe.

Some of the problems were the direct result of Government policies particularly the Budget increase in VAT to 15 per cent and the changes in regional policy.

Mr. Silkin likened the problems of the wool and textile industries to those of the steel industry—they were facing a series of Corbys and Spottons.

If the present trend continued there could be a loss of 52,000 jobs in West Yorkshire alone.

Mr. Silkin pressed for a renewal of the Multi-Fibre Agreement and warned that unless early steps were taken the present arrangements would fall into disuse in a very short time indeed.

Mr. David Trippier (C Rossendale) criticised the policy of the Government and that of its Labour predecessor. "Neither side has anything to boast about and both have a great deal to be ashamed of," he said.

Thatcher expects 'difficult' summit

By Ivor Owen

THE Prime Minister expects tough bargaining at the EEC Summit in Dublin later this month. She reiterated that Britain's net contribution to the Community Budget must be substantially reduced.

She was quite prepared for a "very, very interesting and very difficult" meeting with the other EEC Heads of Government, she told the Commons.

Amid cheers from both sides of the House, she declared: "We cannot go on next year—1980-81—making a 51bn net contribution in Europe."

"We just cannot. It is unfair and it is inequitable."

In reaffirming Opposition support for her headline approach, Mr. Peter Shore, Labour's Shadow Foreign Secretary, warned her against backing down after all the buildup of recent weeks.

Britain's reputation for meaning what it said would be at stake, he stressed, and not just Mrs. Thatcher's personal prestige.

He urged her to make it clear that she meant what she had been saying so that there could be no retreat in Dublin.

As backbench anti-Marketees roared their approval, Mr. Shore added that if Mrs. Thatcher needed any help in carrying out the meaning of her words she need look no further than the Labour benches to find it.

Mrs. Thatcher replied coolly: "Thank you—I think I prefer more faithful allies."

Mr. Ron Leighton (Lab, Newham NE) complained that the inevitable savings made by the City of London through banking, insurance and other services, and which in the past had so often come to the rescue of Britain's balance of payments, would be "wiped out" this year by Britain's outside contribution to the EEC.

Mrs. Thatcher rejected a call for a second referendum to give the British people the opportunity to say whether they wished to withdraw from the EEC.

She stressed that a substantial reduction in Britain's net contribution to the Community Budget would have the double effect of helping to keep down public expenditure.

Richard Evans writes: The Government is making it clear in the run-up to the Dublin Summit that the objective remains to achieve a broad balance in Britain's contributions to the European Community Budget in the foreseeable future.

It was stressed yesterday that the Prime Minister's reference to "substantial reductions" did not herald a weakening of Britain's negotiating position.

It is claimed that so far the whole Community has accepted that a genuine problem exists and must be solved at some stage if the Common Market is to regain its political unity.

British Ministers will press hard in the meetings prior to the summit for greater support for reform of the Budget, but there is no clue on how the Government will react should the discussions fail to make sufficient progress.

The Prime Minister has said she would be unwilling to go outside the rule of law to make Britain's case more effectively, but she would be under enormous political pressure at home to achieve a satisfactory conclusion.

Labour leaders are already preparing the ground for a major attack on the Prime Minister should she fail to achieve a balance in the Budget contribution at Dublin.

Edwards outlines aid for Shotton

SHOTTON is to be made a Special Development Area following British Steel's decision to close iron and steel making there. Nicholas Edwards, Welsh Secretary, announced in the Commons yesterday.

He has also asked the Welsh Development Agency to spend an extra £1m over the next three or four years on factory building in the area.

"A substantial effort will be required to attract new business into the area and encourage existing businesses to expand," Mr. Edwards told MPs.

The highest rates of regional incentives would be available to companies and contingency plans from the Manpower Services Commission would come into immediate effect, including a Jobcentre in the steel works.

More than 4,000 training places would be available at Skillecoates, colleges and companies in Clwyd, Cheshire and Merseyside.

Mr. Edwards estimated that nearly 1,000 new jobs were expected in the Shotton area and more than 2,000 in the Exham area as a result of projects planned or already under way.

Communications in the Shotton and Deeside area would be improved substantially by Department of Transport and Welsh Office trunk road schemes.

Opportunities would also be taken to upgrade communications between Shotton, Wrexham and the Midlands.

The main task of the Welsh Development Agency would be to complete work on the Deeside Industrial Park and to make an early start on building advance factories in the area affected by the Shotton closure.

"I am therefore making additional resources available to the agency," Mr. Edwards said.

"Meanwhile, I am asking the agency to plan its provision of sites and factory space on the basis of further expenditure of up to £1m over the next three or four years."

Mr. Alec Jones, Opposition spokesman on Wales, warned: "If 7,000 unemployed Shotton steelworkers join the dole queue next March, the Government will bear the ultimate responsibility."

We're now in the process of sending out the overdue phone bills. Some of you may have already received one.

But it may help you budget to know what you'll be paying. Your first bill will arrive some time before the end of January. It will cover up to nine months' calls (which brings you up-to-date on them) and six months' rental.

The other three months' rental will be added

to your next phone bill, making six months' rental in all. This will be sent out before the end of April. By which time things should be back to normal.

Obviously, we realise it's not going to be easy catching up. But it may help if you stick away some of our telephone stamps for the rainy day.

Post Office Telecommunications

What are DEACON giving ALLDERS customers for Christmas 1979?

What gives the new Citroen Reflex such remarkable figures?

The answer lies hidden under the bonnet.

Open her up, and you'll find a powerful new 2-litre overhead camshaft engine which delivers effortless acceleration up to 109 mph and outperforms virtually all its competitors.

Yet incredibly, although the Reflex is so quick, its performance is matched by equally outstanding economy.

The ultra-modern new engine, combined with Citroen's aerodynamically incomparable bodyline, produces fuel consumption figures which are amazingly well suited to the energy-conscious Eighties:

35.8 mpg at a constant 56 mph; 29.1 mpg at a constant 75 mph; and 23.5 mpg in the urban test.

Despite its economy, however, the Reflex has all those touches you would expect of a much more highly-priced luxury saloon.

And once you get behind the wheel, you'll discover that unique feel which keeps Citroen miles ahead in terms of comfort, driving pleasure and safety.

Self-levelling hydropneumatic suspension gives the smoothest ride on the roughest roads, and reacts to a high-speed blow-out as if nothing has happened.

Front-wheel drive and VariPower steering, which becomes progressively firmer with speed, ensure rock-solid roadholding and handling.

All the same, the figure that makes for the best reading is undoubtedly the price: just £5697.

The Athena, which is the same car but with a 5-speed gearbox for even greater economy and acceleration, plus several added luxuries, carries the equally conservative price-tag of £6229.

The new Citroen Reflex.

We couldn't improve her looks, so we improved her figures.

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109 MPH.
36 MPG.
£5,700



THE NEW CITROËN REFLEX 2 LITRE.

How Sony brought the McDonald's hamburger safely across the Atlantic.



Manhattan

on American U-matics to be played back on any U-matic anywhere in the world.

Training their staff by U-matic has contributed to McDonald's success in Britain.

In October 1974 they had one restaurant. Today they have 34.

But training the British to make hamburgers is only one application of the U-matic system.

Companies like BP, Rank

Xerox, and ICI have found different uses.

If you would like to find out how U-matic can be of use to your company fill in the coupon.

Bill would love to hear from someone who'd like to take Black Puddings safely across to New York.

To: Bill Rowland, Sony (UK) Limited, Commercial and Industrial Division, Pyrene House, Sunbury Cross, Sunbury-on-Thames. Tel: Sunbury-on-Thames 89581.
Please tell me more about the Sony U-matic system.

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SONY

Walk into a McDonald's in New York and you know what to expect.

Exactly the same hamburger you enjoyed in New Jersey.

This reputation for consistency has built McDonald's into a business with a turnover in excess of \$4,500M.

It was a reputation McDonald's weren't about to put at risk when they opened their first restaurant in London.

Let's face it, as they did, we British are not renowned for our expertise at making hamburgers.

Which is why McDonald's install Sony U-matics in every restaurant they open in Britain.

Everyone who works in them is trained on a Sony U-matic system using thirty-one video tapes made in the States.

Two of the tapes introduce new staff to the company. The rest instill the British with the skills that make a McDonald's a McDonald's and not just a hamburger.

Training their staff by U-matic has three main advantages for McDonald's.

Firstly, training sessions are easy to organise because the U-matics are in situ.

Secondly, many of their staff are in their late teens and learn more readily from a TV screen.

Thirdly, as a major multinational company with over 5,500 restaurants around the world, they can take full advantage of the U-matic Triple Standard playback facility.

This allows video tapes recorded



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APPOINTMENTS

New director for Harrisons & Crosfield

Mr. M. J. Hadley has been appointed a director of HARRISONS AND CROSFIELD.

Following his appointment as a group managing director of the Royal Dutch/Shell Group of Companies, Mr. W. C. Thomson will be resigning from the board of CARRINGTON VIYELLA on December 31.

Mr. Christopher Rashbrook has been appointed managing director of COUTTS AND CO.'s new representative office in Winchester. Mr. Michael Smith becomes his deputy.

Mr. John Matthews has been appointed divisional finance director, and Mr. Graham Burgess, divisional personnel manager, of GARTON SONS AND Co., a member of the Garton Group and a division of Tate and Lyle Food and Distribution. Mr. Matthews was previously with Continental Oil Company, London, and Mr. Burgess was with EPs, Banbury.

Mr. E. Griffin, a director of Electronic Rental Group company RELAYVISION/HUBBARD'S, has been appointed to the newly-created post of commercial director. He will be responsible for business property acquisitions on behalf of the electrical retail/rental company.

Mr. Jim Simpson has retired from the board of WALTER LAWRENCE and has given up all other group appointments because of ill-health.

Mr. Angus Andrews has been appointed by the TEES AND HARTLEPOOL

AUTHORITY as director, Tees Docks, and he will join the Authority on December 1. Mr. Andrews will succeed Mr. Stan Wright, who is retiring on January 31, 1980.

Mr. John Arnold, assistant managing director of the Wrigley Company, Plymouth, has been appointed assistant vice-president personnel for WRIGLEY at the group's headquarters in Chicago.

Mr. D. N. Hookway, Saunders Valve, has succeeded Mr. S. F. Moore, Metro-Flex (UK), as chairman of the BRITISH VALVE MANUFACTURERS' ASSOCIATION. Mr. G. Hanson, Pegler-Hattersley, has been appointed vice-chairman of the Association.

Mr. Stefano Sebastiani, is to be general manager of the BERKELEY HOTEL, Knightsbridge, from December 1, in place of Mr. Charles Forman, who retires from that position at the end of this month, but will remain a director of the hotel. For the past 12 years, Mr. Sebastiani has been at the Grand Hotel, Rome, where he became assistant manager.

Sir Max Bemrose will retire for health reasons as a non-executive director of the BEMROSE CORPORATION with effect from November 30. Sir Max became a director of the group in 1958, and was chairman for 25 years until he retired from that position at the end of May last year.

LLOYD'S REGISTER OF SHIPPING has made the following senior appointments at its London headquarters: Mr. G. F.

Smedley as deputy chief engineer surveyor in succession to Mr. E. Howey, who retires next January; and Mr. D. Renne, who becomes assistant to the chief surveyors and senior principal surveyor in charge of the research and technical advisory services department.

Mr. Randle H. Cooke has become a director of GARDINER TILLY AND ASSOCIATES.

Mr. P. C. Taylor has been appointed a director of the COMMERCIAL METAL COMPANY.

Mr. M. B. Howwell, at present a property controller, has been appointed investment manager (property) of the CO-OPERATIVE INSURANCE SOCIETY from February 11, 1980. He will succeed Mr. H. Bradbury who is retiring.

Mr. Allan R. Best has been appointed a director of SAC BRISTOL.

Mr. Derek Stryer has joined the Wigham Poland Group as a director of WIGHAM POLAND PROFESSIONAL INDEMNITY. Mr. Kevin A. Girling has become a divisional director of Wigham Poland Reinsurance Brokers.

Mr. Chris Chaplin has been appointed marketing director of STONEHILL FURNITURE (Stonehill Holdings), following the retirement from the board of Mr. Ronnie Boss, who continues with the company. Mr. John Harding has become works director, reporting to Mr. John Lipert, production director.

Mr. Frank J. Zeman has been

appointed vice-president international by the GLENDINNING COMPANIES, of Westport, Connecticut. Mr. Zeman is the managing director of Glendinning Associates International, based in London.

Mr. C. T. Hackett, former vice-president and general manager of the IMPERIAL LIFE ASSURANCE COMPANY OF CANADA, has retired from the main board because of ill health. He will continue as a director of Castlemera Properties (Holdings), an associated company.

Mr. Ralph Kratschmer has been appointed technical director and general manager of TECHNICAL MARKING SYSTEMS, Sheffield.

Mr. Michael Burmester has been appointed senior liaison officer to the NATIONAL WESTMINSTER BANK GROUP in Handelsbank NW, the Zurich-based bank in which NatWest has a substantial participation. He succeeds Mr. R. A. Churchward, who has retired.

Mr. Michael Salter has joined the board of EALY AND HINDMARSH ASSOCIATES, of Alderley Edge, Cheshire.

Mr. E. M. Grace is to become managing director of the PEGLER-HATTERSLEY group from January 1, 1980. He will succeed Mr. A. L. Louder, who will remain on the board as a non-executive vice-chairman. At the same time Mr. K. Blair will be director of UK operations, and Mr. R. N. Inman joins the board as finance director in succession to Mr. Grace.

Mr. E. G. Campbell has been appointed president of BONAR AND BEHNS and BONAR PACKAGING, the two major Canadian packaging subsidiaries of the Low and Bonar Group, Dundee. Mr. Campbell, previously senior vice-president, succeeds Mr. R. D. Wangh, who has left the companies. Mr. W. S. Moffat has become vice-president (finance) and secretary of both concerns.

BRITANNIA FINANCIAL SERVICES has opened a branch office at 1, Athol Street, Douglas, Isle of Man, and Mr. Stewart Jamieson and Mr. George Stephens have been appointed local directors.

Mr. William N. Gagnon has been appointed vice-president and general manager of the newly-created international division of DOMINION TEXTILE INC. Mr. Philippe Comte has become director-general of DEL Industries Europe S.A., a subsidiary.

Mr. Dermot H. de Trafford has been appointed to the Boards of BANQUE BELGE COMPANY and BELGIUM AND GENERAL INVESTMENTS.

Mr. Robert Rampton is to retire from the Board of FREE MANS (LONDON, SW) at the end of the company's financial year on January 28, 1980.

D. E. C. Wedderburn have been re-appointed for a further term of three years to that date. Professor Checkland is professor of economic history at the University of Glasgow. Professor Sloane is head of the economics and management department of Paisley College of Technology, and Mr. J. Gestetner is the joint chairman of Gestetner Holdings.

Pullman Kellogg post



Mr. Charles Schofer has been appointed vice president of the Pullman Kellogg division of FULLMAN INCORPORATED. He will have sales responsibilities for North America.


Mr. E. J. Geest, president and chief executive officer of ICI AMERICAS INC., will retire from the company on March 31, 1980, and will relinquish his executive responsibility on February 29, 1980. From March 1 next year, Mr. R. E. Barnett will succeed Mr. Geest as president and chief executive officer of ICI Americas Inc. Mr. D. R. Zeidler, chairman and joint managing director of ICI AUSTRALIA, is to retire on March 18, 1980. The Board of ICI Australia has elected Mr. M. D. Bridgman to be chairman in succession to Mr. Zeidler. Mr. Bridgman will continue to be a joint managing director of the company.

The Secretary for Education and Science has appointed three new members to the SOCIAL SCIENCE RESEARCH COUNCIL until September 30, 1982. They are Professor Sydney G. Cheek and Professor Peter J. Sloan and Mr. Jonathan Gestetner. Mr. D. Brooks, Mr. H. J. D. Cole and Mr. James Dunnett and Mr.

The Minister of Transport has appointed Mr. Robert Perkins as chairman of the HARWICH HARBOUR CONSERVANCY BOARD for three years from January 1, 1980, to December 31, 1982. Mr. Perkins, who has been a member of the Board since January, succeeds the present chairman Lord Walston, whose appointment expires at the end of the year. Lord Walston has been chairman since August 1975. The Minister has appointed Mr. C. E. Ranson as chairman of the BRITISH MUSEUM (NATURAL HISTORY) on the expiry of the terms of office.

Mr. Alan J. Grice has been made a director of MUNICIPAL PUBLICATIONS.

This announcement appears as a matter of record only



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October 1979

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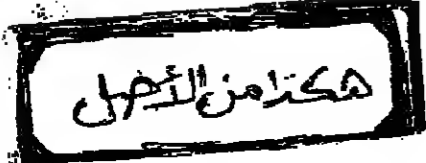
Every day Times correspondent Frank Vogl spends his time getting behind the famed closed doors of that city.

And every day he sends The Times Business News his report.


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US\$ 20,000,000

NEGOTIABLE FLOATING RATE
U.S. DOLLAR CERTIFICATES OF DEPOSIT
DUE NOVEMBER, 1981

In accordance with the provisions of the Certificates, notice is hereby given that for the Interest Period from 9th November, 1979 to 9th May, 1980 the Certificates will carry a rate of interest of 15.9/16% per annum.

Agent Bank
Baring Brothers Asia Limited,
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9th November, 1979

KEPPEL SHIPYARD LIMITED

U.S.\$15,000,000
8% per cent Bonds 1984

NOTICE IS HEREBY GIVEN to all bondholders of the above-captioned issue that:

(1) For the purchase year ended 15th October 1979, the aggregate principal amount of Bonds arising from purchases made pursuant to Clause 4(c) of the Conditions of the Bond and from acceptance of Bonds surrendered pursuant to the Purchase Agency Agreement is U.S.\$2,000,000. The deficiency of U.S.\$225,000 in respect of the purchase year ended 15th October 1978 has also been satisfied.

(2) Morgan Guaranty Trust Company of New York, Paris has been appointed a paying agent.

THE DEVELOPMENT BANK OF SINGAPORE LIMITED

14th November 1979

LOMBARD

Mortgage rates and Mr. Volcker

BY ANTHONY HARRIS

THERE HAS been a good deal of laughter on this side of the Atlantic at the results of Mr. Paul Volcker's emergency experiment in monetary base control in the U.S. I have joined in it myself. The confessions from senior officials that they were working out the ground rules as they went along, the "smoothing" interventions by the Fed to stabilise interest rates within days of proclaiming that they would be allowed to find their own level, and the whopping reporting errors by at least one bank have all been good slapstick.

Handicaps

The untidiness is still, however, enough to arouse superior comments from those used to our own supposedly more orderly system—though even in London the market can panic over an unexpected set of figures, as was proved when the October banking figures emerged. What is more, I believe that the Bank of England once narrowly averted a monster reporting error.

Famine

In the UK we have much more generalised anxiety but we are still waiting to discover how it checks inflation, or how it even discourages borrowing. Suppose for a moment that Mrs. Thatcher had followed her political rather than her market-economic instincts, and moved to "protect" owner-occupiers by forbidding the building societies to raise their rates, and provoked a real famine instead of a mild shortage of housing funds.

TV Radio

- 5.55 Nationwide (London and South East only)
6.20 Nationwide
6.45 Angels
7.10 Star Trek
8.00 Mastermind
8.30 Terry and June
9.00 News
9.05 am For Schools, Colleges.
11.25 You and Me. 11.40 For Schools, Colleges.
12.45 pm News
1.00 Peter and Rosemary
1.45 Over the Moon. 2.01 For Schools, Colleges.
3.25 Delia Smith's Cookery Course.
3.53 Regional News for England (except London).
3.55 Play School (as BBC 2 11.00 am).
4.20 Pixie and Dixie.
4.25 Jackanory.
4.40 Tarzan, Lord of the Jungle.
5.00 John Craven's Newsworld.
5.05 The Enchanted Castle.
5.40 News.

F.T. CROSSWORD PUZZLE No. 4125

Grid for crossword puzzle with 15 across and 1 down clues.

- ACROSS
1 Type of face needed by poker player when he has it (8)
2 Mora perilous at breakfast time? (8)
3 Soldiers, full-time and part-time, devise a drum roll (8)
4 Blat Latin bottle (8)
5 Article in flight seen in window (8)
6 Bitterness over a measure (8)
7 Boisterous performance in old motor-car (10)
8 Timorous note in the art (10)
9 Transport for rubbish (6)
10 Sallor I trip needs endurance (8)
11 Catch upset parent (6)
12 Force leader with troops takes a road in the rooster's realm (8)
13 Large vessel appearing in future entertainment (6)
14 Eastern coin or instructor (8)
15 A fish twice found in jelly (4,4)
16 Weaver and worker come into sight (8)
17 Consider it could be odd in a note (8)
18 Directors should show the state of the game (5,5)
19 A foreign leader is well-spoken and rich (8)
20 Tyrant whose words are put on record (8)
21 Cheap way to travel with animal on time (8)
22 A mother in charge could be naked (6)
23 Whole part of quaint action (8)
24 Glance sideways about notice from first violinist (6)
25 Solution to Puzzle No. 4124

Maples: the red signals of autumn

IT IS a rare year in which it is still relevant to write about maples in mid-November. But the leaves have been pleasantly slow to change colour this year, perhaps because the evenings have been so mild.

Familiar

Under the general name of acer you will find many familiar trees than under any other in a catalogue. If in doubt, you will always find what you want in this family through the long list of a good nursery like Hilliers of Hampshire, who stock tens of varieties, or Notcutts of Woodbridge, Suffolk.

Bright prospects for Dramatist

FULKE WALWYN, whose Saxon House team has been slow into its stride, looks to have bright prospects of taking the two major races on his home course of Newbury this afternoon.

RACING

the Winterbourne Handicap Chase; while the Queen Mother's Special Cargo is probably the "class" animal in the Halloween Novices Chase.

- 5.55 Nationwide (London and South East only)
6.20 Nationwide
6.45 Angels
7.10 Star Trek
8.00 Mastermind
8.30 Terry and June
9.00 News
9.05 am For Schools, Colleges.
11.25 You and Me. 11.40 For Schools, Colleges.
12.45 pm News
1.00 Peter and Rosemary
1.45 Over the Moon. 2.01 For Schools, Colleges.
3.25 Delia Smith's Cookery Course.
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5.00 John Craven's Newsworld.
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Radio Wavelengths

- 103.8kHz/276m
108.3kHz/276m
683kHz/433m
90.9kHz/327m & 92.9kHz stereo
121.5kHz/247m
154.6kHz/194m & 95.9kHz
BBC Radio London
154.6kHz, 194m & 95.9kHz
London Broadcasting
119.1kHz, 276m & 97.3kHz

- RADIO 1
(e) Stereophonic broadcast
Medium Wave
5.00 am As Radio 2. 6.00 Drive In
Travis, 6.00 Simon Bates. 11.31 Paul
Burnett. 2.00 pm Andy Paine. 4.51
Ed James. 7.00 Radio 1 Mailbox.
6.00 Mike Read. 6.50 Newswatch. 10.50
John Peel (e). 12.00-5.00 am As
Radio 2.
RADIO 2
5.00 am News Summary. 5.00 Tony
Brandon (S). 7.32 Terry Wogan (S).
10.03 Jimmy Young (S). 12.15 pm
Woggoners' Walk. 12.30 Patsy Murray.
12.45 pm News. 2.15 David Hamilton
(S). 4.15 Muth Music (S). 5.00
News. 5.05 Waggoners' Walk. 5.20
John Dunn (S). 9.48 Sports Desk. 7.02
In The Studio (S). 9.16 The Magic Of
The Musicals (S). 9.32 Green On...
Omidson. Benny Green talks about
Water Boatman (S). 9.55 Sports
Desk. 10.02 Stop The World. 10.20
Hubert Gregg says Thanks for the
Memory. 11.02 Sports Desk. 11.08
Medium Day Show. 12.00 News. 12.02
am Sports Desk. 12.06 Brian Matthew
with Round Midnight. 2.02-4.00 You
and the Night. And The Music with
Richard Clegg (S).

glowing pink berberis, perhaps with some inept carpet of heather under the ill-assorted mass of them. I have never seen a shrub-border which can take more than one dominant group of these bright leaves.

GARDENS TODAY

BY ROBIN LANE FOX

survive another bright contrast beside them. Variegated dogwoods are about as far as you can go and indeed their mixture of white and grey-green is a very bappy match.

ENTERTAINMENT GUIDE

OPERA & BALLET
COLISEUM. CC 240 8256.
CONVENT GARDENS. CC 240 1066.
THE ROYAL OPERA HOUSE. CC 240 1066.

THEATRES

DUCHES. 01-838 8243. Mon. to Thurs.
Even. 8.00. Fri. and Sat. 8.00 and 8.15.
0.00. (See THEATRICALS)
THE HIGHLIGHTS OF THE WEST END.
LAST 3 WEEKS

THEATRES

DUCHES. 01-838 8243. Mon. to Thurs.
Even. 8.00. Fri. and Sat. 8.00 and 8.15.
0.00. (See THEATRICALS)
THE HIGHLIGHTS OF THE WEST END.
LAST 3 WEEKS

but in the conditions which are so bleak like, it will grow up to eight feet or so. It is an unfortunate sight. Plain aureum, if true to name, is a good pale yellow in spring, deepening to yellow as the year goes by.

THEATRES

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0.00. (See THEATRICALS)
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LAST 3 WEEKS

THE ARTS

Television

Careless talk... and Reggie by CHRIS DUNKLEY

It is sad that we shall not be seeing Reginald Bosanquet on ITN any more. His manner is entirely different from the conventional style of British news reading which was built up in the early years of BBC radio and which can only be found today on the excellent World Service and on television (with slight modification) when Kenneth Kendall does the job.

What is rather worrying is the possibility that the sturdy BBC news which made Regale's alternative possible may be disappearing. The BBC's worldwide reputation rests, above all, on its rule of retelling facts: no hearsay, no rumour. In many countries even today people wanting to know whether something has occurred ignore their own national news service and wait for ours; when the BBC says something has happened, then they believe it really has, but not until then. (And that is why the proposed cut in the Government's grant-in-aid to the BBC's external services is so appallingly short sighted.)

Yet recently BBC television news in Britain abandoned this admirable policy and broadcast the rumour that Leonid Brezhnev was dead. They admitted that the reports were "unconfirmed," but spread the rumour nonetheless. It was just one example of a worrying casualness which seems to be pervading BBC news. It is not a question of casual dress, though some viewers will certainly have disapproved of Christopher Morris's baby-blue jacket on Saturday. More important was the fact that the news started not at 9.00 as advertised but at 9.03.

During his reading Morris announced "inventory" with the emphasis on "vent." There is hardly a reporter left on BBC news who understands the difference between "less" and "fewer," and at least one confuses "rapidity" and "frequency." Of course language is always changing, but because of its need and reputation for accuracy BBC news has in the past been a good place to find precise usage. The disappearance of that precision will be even more sad than the disappearance of Regale.

My own rule for deciding whether linguistic changes are to be welcomed or resisted is to ask "Does this change enrich or impoverish the language?" For example the current use in so many programmes of "viable" to mean "profitable" or "feasible" is an impoverishment because we lose the original meaning of "viable" which has no synonym and gain only vagueness. The current use of "escalate" to mean an increase by leapfrog progression is an enrichment since its old meaning was practically useless and no other single word expresses its new meaning.



J. Smith and David Peck in 'Gal Young Un'

New York Film Festival Finding a new role by FRANK LIPSUS

The New York Film Festival has been like an unwise philanthropist who gives away all his money and then has to depend on the largesse of his beneficiaries. The festival's wealth has been the stockpile of European films that never crossed the Atlantic to the States. In the festival's small office next to the screening space in Lincoln Centre, Richard Roud, the festival director, ticks off the names of European directors who were first shown in the new world at a festival performance.

The proliferation of art cinemas on the fashionable east side of New York is part of the festival's legacy. Most films now go directly from a festival performance to an east-side commercial run. Two new cinemas have opened in the last fortnight, and with the continuing trend to chop up one small cinema into two tiny ones, there seems no limit to New York's appetite for love stories with subtitles.

As complaints about the festival increase, either for delaying films' arrival in New York or relying on their old stand-bys, it seems it has outlived its usefulness. But the festival this year might have stumbled upon a new role for itself—one that would be as exciting and important as its original one. Preceding the festival premiere was a week of American independent film screenings, sponsored in part by the New York Film Festival and in part by the Film Fund, a philanthropic agency doling out about \$200,000 a year for American independent films and slide shows. Of the 15 films shown in the mini-festival, only six were new, but they made the biggest impact of the whole festival—new, old, European or American.



Stephen Garlick and Gerry Cowper in 'Two People'

Festival Hall

Barenboim

by DOMINIC GILL

After Jorge Bolet's extraordinary recital on Sunday reviewed here by David Murray, anything but the most sublime piano playing would risk sounding half-focused, half-alive. But such was the force of Daniel Barenboim's musical presence the next evening that he could transport us directly from Bolet's magical sound-world, without the need for any major suspension of disbelief, into his own.

It took a little while, all the same. Barenboim began his Beethoven programme—the second of six recitals between now and February in the Festival Hall at which he surveys "Great Masterpieces of the Keyboard"—with performances of the Patetique and Appassionata sonatas that were really no more than play-thrills. They were thrown off to be sure, with the facility of a genius; but lacked all manner of close magnification, scrupulous attention. There were some splendid flashes of fire in the Appassionata's first movement, and noble things in its andante; but the playing was principally to the gallery. It would have been agreeable to report that Barenboim is one of the very few pianists who observe the vital non troppo marking of the Appassionata's finale; but he is not.

His closest attention he reserved for the Diabelli Variations in his second half. It was not a perfect performance by any means, but of its sort the purest Barenboim—a exciting, maddening mixture of inspired excellence and carelessness which by sheer force of imagination, and if you like of elemental genius, raptures the heart. One was tempted to guess which variations he had practised most carefully, most recently. Not, perhaps, Nos. 6 or 13, or No. 30, whose effect was bland; the huge rhapsody in its last bar disconcertingly vulgar? I found the very whimsical treatment of the great large variation No. 31 also oddly unconvincing.

BBC Radio drama appointment

John Tydemann has been appointed assistant head of BBC Radio Drama from December 1. He has been a radio drama producer for the past fifteen years.

King's Head

Nashville

by MICHAEL COVENEY

I have always thought that it was the business of the theatre critic to tell actors how to go about their jobs, not show them. But what is this? There is a defector in the ranks. Robert Cushman, of The Observer, not satisfied with having devised and compiled a thoroughly entertaining Odeon Nashville evening, has found himself a white tuxedo and taken to the stage. Not satisfied even with that, nor even with his self-appointed role of compère and potted Nashville biographer, he quite recklessly throws himself upon our mercy as a singer. To cap it all, the man actually dances. Now Mr. Cushman, if he will forgive me saying so, is not one of Nature's Fred Astaires. But show me a theatre critic who is. Until you find one, Mr. Cushman must stand unchallenged as the best, or rather the only, singing and dancing member of the Critics' Circle.

Against a pink cut-out Manhattan skyline, the show is a generous celebration of Nashville, the self-deprecating but highly accomplished word-monger who would sacrifice metre, rhythm (and, as Mr. Cushman says, probably his own grandmother) for the sake of a good rhyme. It is a joy, of course, to hear the short snappy stuff—and the "Animal" verses are given in Vernon Duke's delightfully wistful musical settings—but even better to hear actors cutting a confident swathe through more meandering complexities to hit on that all-important rhyme. Mr. Cushman is superbly abetted by Christopher Benjamin, who is entrusted with the poetry of Nash in mock-billious middle-age; by Leueen Willobushy, a skit-posed little Andrews flower with the lucking bite of an obnoxious serpent; and by Bryan Murray, in a shaggy-haired, a shoulder-shrugging romantic on the cocktail circuit.

Dominion

Manhattan Transfer

by ANTONY THORNCROFT

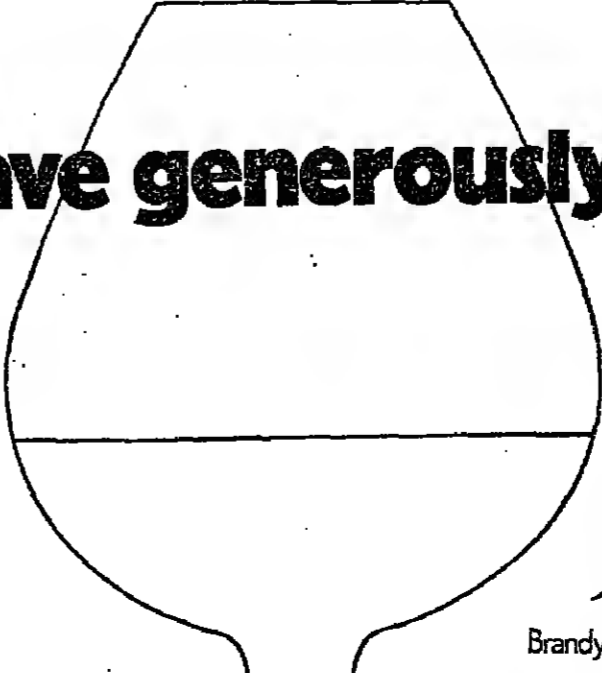
Manhattan Transfer are perfectionists and, in the past, they are and devotion they put into their songs—into the harmonies, the movement, the costumes, the presentation, made them me of the great visual and musical attractions of the entertainment world. While most artists make you wish you had stayed at home and listened to the record Manhattan Transfer, live, make their albums look like boring discs of black vinyl.

Vogue black and white and showing off Cheryl Bentyne who has replaced Laurel Masse. The new seamy "Birdland" was followed by group standards like "Java Jive" and "Chanson d'Amour." Along with "Doodling" and "Four Brothers" there was rather too much of Man Tran's obsession with vocal gymnastics, with mannered interpretations of undistinguished melodies. Then suddenly there was a splendid version of "Where did our love go" and you wondered why there was not more ruck pastiche in the act.

The second half was more infuriating. It began interestingly with a nightmare sequence, Jaals Siegel sprawling in glumly nightwear and being roused into an exciting version of "In the twilight." But then, suddenly, the group had appeared and there was a tediously extended solo by the band and an untuneful characterization by Tim Hauser as a cool cat. This was, of course, just a lead up for Alan Paul to do his brilliant young stud act and by the end the audience was happy as Man Tran moved into their Fifties routine.

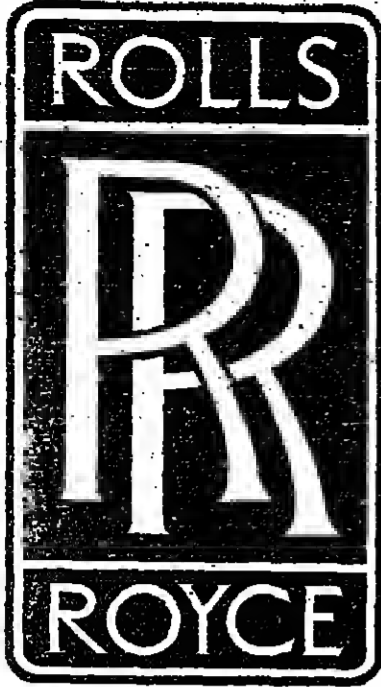
Oil related companies setting up in Scotland should head for the Middle East. Advertisement for Tayside Region Industrial Office, Dundee. Includes a map of Scotland and the Tayside region, and text describing the region's advantages for oil-related businesses.

Fagin gave generously for one.



Armagnac

Brandy so elusive, you darent miss the chance of a glass.



Once you've driven a Rolls-Royce...

THERE ARE TODAY two major companies bearing the names Rolls-Royce. Rolls-Royce Limited is owned by the Government through the National Enterprise Board and is in business to make and sell gas turbine engines for aircraft and other applications.

Rolls-Royce Motors Limited is an amalgamation of the car and diesel engine interests of the original company which were separated after the financial collapse of 1971 and floated on the London Stock Exchange by the Receiver.



Mr. Peter Vinson, Managing Director of the Diesel Division of Rolls-Royce Motors Limited.

Much of the confusion which arises over the difference between the public sector aero engine company and the private sector car and diesel engine company undoubtedly arises from their use, not only of the same name, but also of the same trade marks. Agreement was reached at the time of the flotation of Rolls-Royce Motors that the new com-

pany could continue to use the Rolls-Royce trade marks on the products which had been manufactured by the Car and Diesel Divisions before 1971.

Rolls-Royce Motors today comprises three main operations - the Car Division which builds Rolls-Royce and Bentley motor cars and markets them in the U.K., the International Division which sells these motor cars in all export markets, and the Diesel Division.

The Diesel Division is divided into two parts; that which is concerned with diesel power for civilian applications and a Military Engine Division which was set up specifically to deal with the highly specialised military side of the company's business.

Rolls-Royce Motors Diesel Division swept steadily forward after the public flotation as it exploited various segments of the expanding market for diesel engines.

Booming business

There are two main markets for the commercial diesel engines built at Shrewsbury, automotive and industrial. It is no secret that, at present, the truck engine business is booming and Rolls-Royce Motors are profiting from this sector of their business. Equally well known is the slump in the world demand for generator sets which has had a significant effect upon the Division's production of engines.

The effect of the reduction in generator set business has been compounded by the cancellation of a major military engine contract after the fall of the Shah of Iran. Although the total diesel business had spread its risk across these three market segments, the decline in one, and the loss of another will obviously make a severe dent in the Division's total turn-

If you ask an average member of the public what the name Rolls-Royce means to him, he will probably call to mind three things: the best car in the world, the jet engine and the financial collapse of 1971. The public mind is understandably muddled about the name Rolls-Royce and this supplement should clarify some of the issues.

over this year and next.

Heavier vehicles

Management in the Rolls-Royce Diesel Division is not short on realism. A single booming automotive sector is not enough to fill the factory with orders, even if the continued move within the truck market towards heavier gross vehicle weights is a trend distinctly in line with their product planning.

The military business is peculiar in several ways. Not the least of which is the relationship between the research and development phase of a contract and the volume building for delivery of the power plants. At present the Military Engine Division is deeply involved at the research and development stage for the next generation of tank engines for western bloc armies.

Good prospects

But this does not fill the new military engine production facility in the short term. But long term prospects must be good as Rolls-Royce Motors have what is possibly the only viable tank power plant which is in production for the next generation of NATO armour.

The generator set slump cannot last for ever. Indeed, the group of rich

developing countries which traditionally dominate the international market for generator sets are accruing fresh cash surpluses from this year's oil price rises.

Rolls-Royce have been market leaders in the 100-500 kW generator set business in this country for many years and now with gen set variations of the new compact, lightweight CV8 and CV12 engines, have a range that is second to none. This must augur well for the future. Meanwhile new markets must be sought out for industrial diesels, and the push in the heavy truck market will continue.

Fine engineering

The Rolls-Royce name and the fine engineering which created the reputation will always find the specialised niches in a world wide diesel business currently worth 15 billion dollars. Meanwhile the company is about to return to a partial five day week after being obliged to introduce short-time working in February this year.

Army's accolade

The new range of CV engines - 8 and 12 cylinder, high power, compact, veeform diesels - also hold a great future for the diesel business. The military version has already been selected by the British

Army for the next generation of main battle tanks and this accolade has provoked world-wide military interest.

Designed to be used in military and commercial applications the 'CV' engine family is already in production for commercial generator sets and future applications include marine, rail traction and automotive.

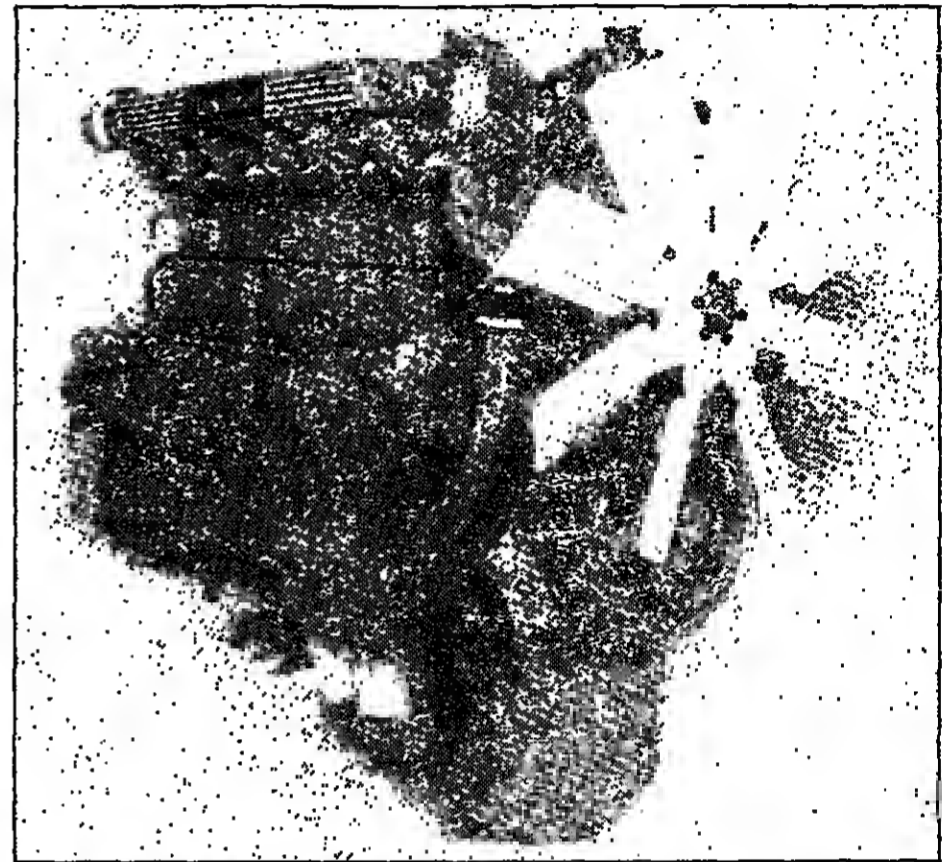
Marine boost

The Division has always been well known for its marine diesels but a con-

certed effort is being made to boost this market. South coast marine specialists, Ruhaak Limited, were acquired earlier this year and will be expanding the business.

There are many factors which weigh in favour of Rolls-Royce diesels despite the relatively small size of the operation and the great competition it faces.

Not the least is its flexibility, the standard of service it can offer to operators of its products and the high quality of its engineering.



Rolls-Royce Eagle MK III truck engine.



To increase productivity, they each got a Rolls-Royce.

Rolls-Royce make what are almost certainly the most efficient automotive diesels in the world. The range is comprehensive, the designs both advanced and reliable. Every engine is built by hand. Fuel consumption is excellent and barely rivalled by any other manufacturers. Both purchase and running costs are extremely competitive.

The advantages for drivers are of paramount importance. Noise levels are low which helps to reduce fatigue. And all

Rolls-Royce 'Eagle' automotive diesels produce very wide torque bands which gives them excellent flexibility. Power to weight ratios and bhp per litre contribute to making Rolls-Royce diesels better to drive and more efficient to operate.

If you would like more information about Rolls-Royce diesels and the opportunity to test them, contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division.

The Rolls-Royce of Diesels.

Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0143 52262. Telex: 35111/2.



A world of power

THE FIRST ROLLS-ROYCE diesel engine ran at Clan Foundry, Belper, Derbyshire, in 1949, design having been started in January of that year. The Oil Engine Division, later to become the Diesel Division was established in 1950, the first production engine a 6 cylinder in-line supercharged model rated at 180 hp was despatched in 1952.

The growth of the business was such that by 1956 the Division had outgrown the limited production facilities available at Derby and had to seek new premises. The Sentinel Works at Shrewsbury, a factory employing 1700 people and large enough to house all the diesel engine activities was purchased and in 1957 the Division moved to its present home. Rolls-Royce Oil Engine Division became

the Diesel Division of Rolls-Royce Motors when the new Company was formed in April 1971.

Rolls-Royce C range diesel engines—the first Rolls-Royce diesels to be manufactured—are available in 6 and 8 cylinder in-line forms and meet power requirements of between 125 hp and 410 hp. They are widely used in generating equipment, air compressors, rail traction, off highway vehicles, pumping sets and marine applications.

Eagle diesels, derived from the C range family, were designed specifically for automotive use and are offered as standard or optional power units by all the leading independent British premium truck manufacturers. They are six cylinder in-line engines of between 220

and 340 hp and all meet the British BSAU 141a: 1971 standard for exhaust opacity.

Introduced in 1966 the Eagle is now produced in greater numbers than any other of the Company's diesels.

The largest capacity engine offered by Rolls-Royce Motors, the D range series are V8 units and cover the 400 hp—825 hp range. They are specified for generating and pumping equipment, rail traction and marine applications.

The new Rolls-Royce CV12 60° Vee form 12 cylinder and 90° Vee form eight cylinder direct injection water cooled four cycle compression ignition engines are of exceptionally compact dimensions and low weight with maximum power outputs up to 140 hp per cylinder.



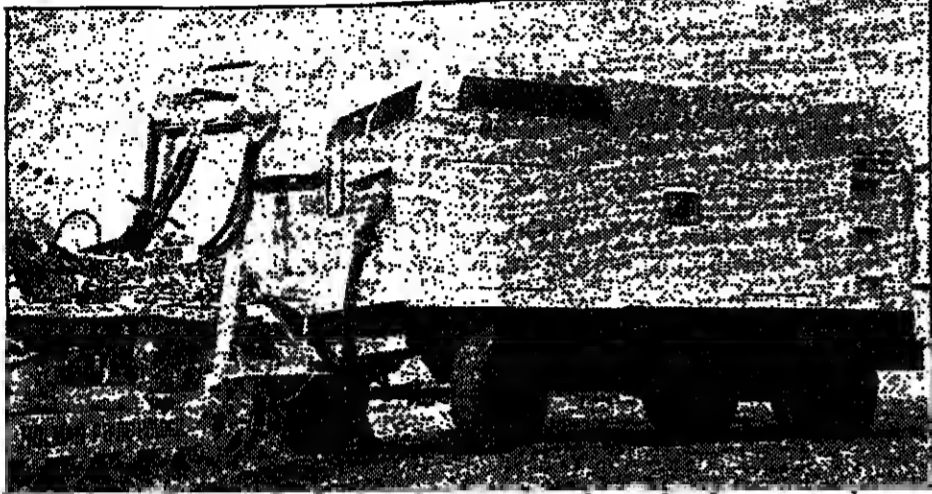
A specially designed tilt test rig at the Military Engine Division, enables complete power packs of Condor military diesel engines to be tested at angles of up to 57° in any plane.



Marine diesels from Rolls-Royce are in service throughout the world. This Liverpool pilot boat is fitted with twin C&M, 10 turbocharged engines.



Rail traction is a Rolls-Royce speciality. Slanting engines like these are in service all over the world.

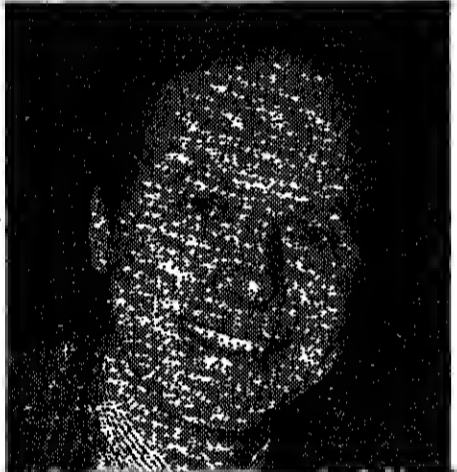


Rolls-Royce diesels are also fitted to air compressors for road and quarry work.



Mr. W. A. Robotham, the Division's first Managing Director

Right: CV8 engines are already in production at Shrewsbury. A compact, powerful diesel, these engines are destined as prime movers for generating sets.



Mr. Bob Young, General Manager of Diesel Division and a Director of Military Engine Division.



Rolls-state-of-the-art in

THE GREAT ENGINEERING achievement of Rolls-Royce Motors Diesel Division is the simple and efficient way it has extracted power from a cylinder which is as close in size to 6 inches by 5 inches as the layman would want to measure. This two-litre capacity metal container first produced in 1952, is the heart of the in-line six cylinder industrial engines in the C range, of the automotive Eagle engine and of the CV range which has produced 1700 horsepower in a military version on the test bed at Shrewsbury.

The beauty of the diesel engine is that more power is extracted from the same cylinder as the engineering evolves. This is done by increasing the efficiency of the combustion and, such is the Rolls-Royce improvement in burning the mixture of fuel and air inside the cylinder that the cost per horsepower delivered to the customer is now three times cheaper in real terms than when the cylinder was brought into production.

The diesel engine, says Rolls-Royce Motors will continue to evolve. Despite decades of searching for a comparably compact and portable power pack there seems to be no substitute for the reciprocating diesel engine—for applications as far apart as driving trucks or generating electrical power.

Favourable conditions for the continuing evolution of the engine at Rolls-Royce Motors have been created by the new combined facility for making vee-8 and vee-12 engines at Shrewsbury. The dual factory for military and industrial CV engines has engineering and commercial benefits: larger capacity means cheaper output; military investment means more money for advanced technology; combined experience means cross-fertilisation in service.

The genesis of the C range engine dates back to the years of the Second World War when Rolls-Royce worked in close association with Vickers on aero engines. After the war Vickers became interested in earth moving equipment and in the early 1950s started the Vickers Vigor tractor (not the farm kind but the earth mover). They wanted a diesel engine and asked Rolls-Royce for their advice and help.

The Diesel Division was founded and Mr W. A. Robotham became its first managing director. He and his design engineer, John Read, were responsible, more than anyone else, for the launching of the first C range engine in 1952. The Vickers heavy tractor was in successful production throughout most of the decade and by then Rolls-Royce diesels had developed into a substantial enterprise.

Commenting on the evolutionary process of engineering at Rolls-Royce Motors, Mr Brian Leverton, Director of Engineering, said: "I look upon the cylinder design and the C range engine as a bank founded in 1952. It should not be thought of as an old design. It represents the genesis from which the present breed has evolved. Philosophically it can be seen as a bank which opened in 1952 and has been flourishing ever since."

The original six cylinder C range engine was pressure-charged, that is to say air was blown into the cylinder with the equivalent of a turbo-charger. In 1952 it produced 180 hp. Improvements in the understanding of combustion in the past 25 years mean that the same engine in 1979 produces 350 hp in similar applications.

Mr Leverton added: "We don't need a

Rolls-Royce Diesel

Once you've driven a Rolls-Royce nothing else is good enough

The Rolls-Royce featured here is a V12, turbocharged diesel producing 1,200bhp. Rolls-Royce have been building power units for military use for sixty years and they're presently used by some 28 armies worldwide.

However, should you want a diesel for something less esoteric than a tank, Rolls-Royce can offer you a comprehensive range of advanced, hand-built engines. They are, naturally, of exceptional quality and reliability. They are efficient and cost effective and, surprisingly, they tend to be somewhat less expensive to buy and to operate than

their nearest substitutes.

Rolls-Royce diesels are available for road, rail and marine transport, power generation, construction equipment and industrial applications, both commercial and military. This is backed up by a worldwide sales and service network.

Should you want more information, or would like to test one contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division. Military inquiries to Victor Comyn, Marketing Director, Rolls-Royce Military Engines Division.

The Rolls-Royce of Diesels.

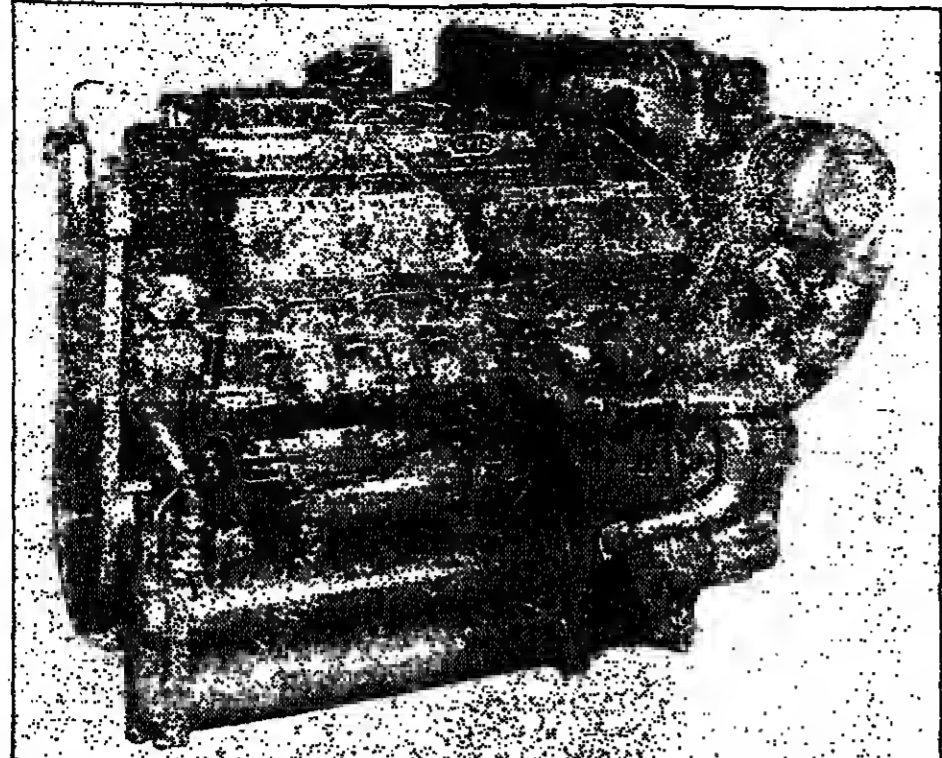
Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0143 52262. Telex: 35771/2.



هكمن الهميل

ADVERTISEMENT

The drivers' diesel



The Rolls-Royce Condor 12V-1800 is an air-to-air charge cooled, 12 cylinder diesel, developing 1800 hp gross to British Standard test conditions at 2300 rev/min. A 60 degree Vee form, direct injection, four cycle compression ignition engine, it has exceptionally compact dimensions and a nett dry weight of only 400 lbs.

THE AUTOMOTIVE BUSINESS is, to say the least, highly competitive. So when Rolls-Royce Motors made its debut in the truck engine market in 1966 with the Eagle six-cylinder in-line diesel it knew it had a tough struggle ahead.

With a 220 horsepower, naturally aspirated engine and the rest of the range up to 340 hp specifically designed for turbocharging, the Company did, however, have a first class start to its new business.

The Mark II Eagle followed and continued a steady progress in market penetration but it was the introduction of the Mark III and the "L" concept that

brought the breakthrough in 1976.

Rolls-Royce had identified that 265 horsepower was the power range needed by truck operators in the 28-32 ton market. But economy and reliability were also at a premium. The solution was typical of evolutionary engineering within the Division.

Engine speed was lowered from 2100 rpm to 1900-1950 rpm, which with more efficient fuel metering, brought a series of benefits. Economy was the first achievement and independent road tests have confirmed the consumption figures. And there was less noise, longer life and lower maintenance costs. The low weight of the Eagle enhanced a still lively performance and the torque spread gave the "lugging" power to aid the driver.

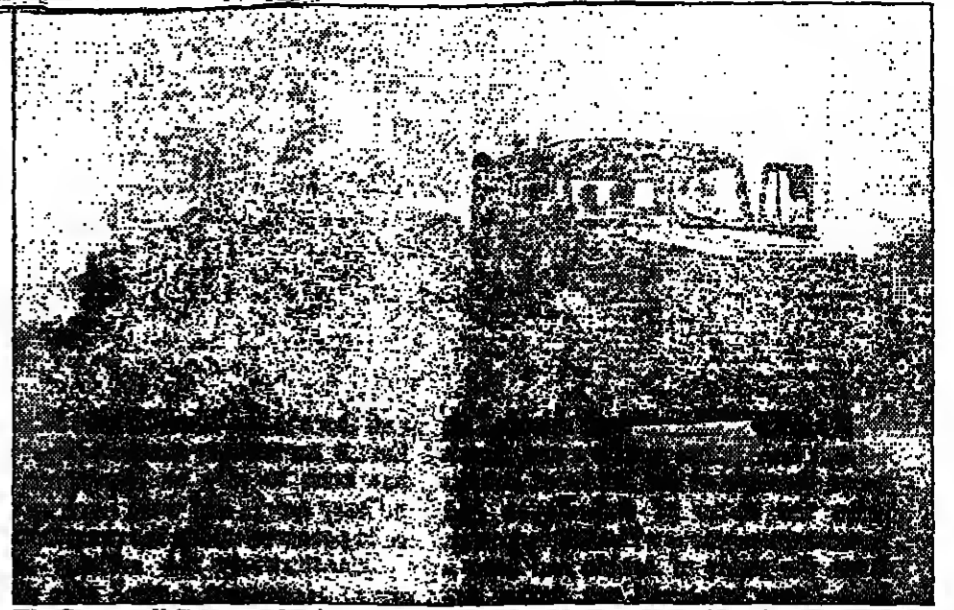
It was no wonder then that the Eagle earned an early reputation as "The Motorway Fuel Miser" and then as the "Drivers' Diesel".

Rolls-Royce has continued to capture an increasing share of the engine market in British trucks. Its confidence in the future also remains unchanged for investment in its factories at Shrewsbury has been high and work continues on developing "L" versions of its other Eagle diesels.

Rolls-Royce remains too in the forefront of research on other aspects of road haulage. There has been a great cry to reduce noise levels from trucks. With the Transport and Road Research Laboratory and Foden, a 38 ton truck with a drive-by-noise level no greater than a family saloon has been demonstrated and this Quiet Heavy Vehicle is to go into commercial service with an operator to continue testing.

The emotive subject of the 40 ton heavy vehicle has also been examined by the Company in conjunction with Foden, York Trailers and Commercial Motor. Two vehicles, identical but for a third trailer axle on one, were loaded to 32 and 40 tons respectively and put through their paces. Significantly the results showed that the 40 ton gross vehicle moved more goods per litre of fuel consumed; was no bigger; no noisier than the 32 ton vehicle and, did less damage to the roads.

This co-operation on experimental runs has been extended by Rolls-Royce to the transport press who have tested the



The Scammell Commander is powered by a 625 horsepower version of the V12 Condor. With an all up, loaded weight exceeding 100 tons, it has a top speed approaching 40 mph.

Eagle in several applications to establish its reputation for economy, reliability and the durability expected of a product from Rolls-Royce Motors.

Truck Magazine tested an ERF 32 ton rig fitted with an Eagle 265L against a Ford Transcontinental powered by a Formula E 290. The ERF Rolls combination maintained a steady margin of economy over its rival. The ERF Eagle also performed better when running with a partial load.

On trunk routes the Eagle recorded 9.53 miles per gallon and returned an overall fuel consumption of 7.64 mpg compared to 6.94 mpg for the Ford-Cummins. Said Truck: "It simply uses less fuel than any other truck we've taken through our test procedures, and what's more it does it at a sparkling pace."

So it can be seen that power plus economy are the heart of the success of Eagle. And it is the strategy behind Rolls-Royce marketing that has always set out to identify the needs of the market place.

The Eagle 265L was brought in at the right time at the right power level. Now, believes Mr George Reeves, the Diesel Division Marketing Director, the company has the next generation of truck engines ready and available—the Eagle 290L. He said: "The drive towards economic fuel consumption and increasing cost consciousness will enable the company to increase its share of the 28-ton-plus truck market next year despite an overall decrease in the market."

Mr Reeves is clear on the pattern which will develop in the truck business in the 1980s. He said: "The 265L has been the engine of the Seventies. The sales record shows that! The engine of the 1980s, though, will be the 290L because of a change in weight legislation."

He went on: "A change permitting bigger trucks is inevitable with any



Mr. George Reeves, Marketing Director of Diesel Division.

government concerned with productivity. A 40 tonner gives us a 24% increase in productivity. The hard reality in the economy is inflation and anything which increases productivity is anti-inflationary. We will do this without increasing road damage, or the overall size of the vehicle. Nor will we increase drive-by noise levels. The advent of the 40 ton truck will mean fewer journeys for the same tonnage hauled."

As the top marketing man at Rolls-Royce in Shrewsbury, Mr Reeves would naturally argue on these lines. But his points do stand up. Trucks will not be physically bigger because they carry 40 tons—the 32 tons chassis with an extra axle will do the job—and the extra axle will also minimise road damage.

Should the change come the Rolls-Royce Eagle will be ready and waiting. Not only with the power and economy but with the needs of the environment as well as the haulier and driver very much in mind.

Royce: diesel engineering

new cylinder. The eight cylinder engine in vee form for 300 kW generator sets shows a 40% improvement in output over the last five years (whereas in 1974 we were making eight cylinder in-line engines for gen sets of 200 kW).

"All of this is based on the 1952 cylinder, though the CV is slightly larger because we use a dry liner instead of a wet liner. This is not boring out. It's the same basic unit. The trick is to get extra power without increasing exhaust temperature and without going above a limiting peak pressure."

A diesel engine is 50-60% more thermally efficient than its petrol-burning cousin. Diesel is a more disciplined combustion because the fuel and air are mixed in the cylinder not outside it. The figures for thermal efficiency illustrate the contrast between petrol and diesel engines. In 1969 diesel engines were about 32-36% efficient in changing the energy from combustion into power. They now run at 40%. Ten years ago the petrol engine was about 25% thermally efficient and is perhaps 23% efficient today.

In scientific investigation, as in engine



Mr. Brian Leverton, Director of Engineering at Diesel Division.

ering design at the highest levels, commercial rivalry between companies is often set aside. Rolls-Royce Motors is with the Government jointly sponsoring with Perkins, Leyland and C.A.V. a project on the internal combustion engine, known by its acronym, I.C.E. The companies are working at Harwell using the Government's atomic energy laboratories to examine what actually happens when fuel mixes with air and ignites. The

project is at Harwell because instrumentation facilities and expertise are available to look at internal combustion using lasers to track the process. The four year I.C.E. programme began in 1977 and its findings will benefit the entire industry.

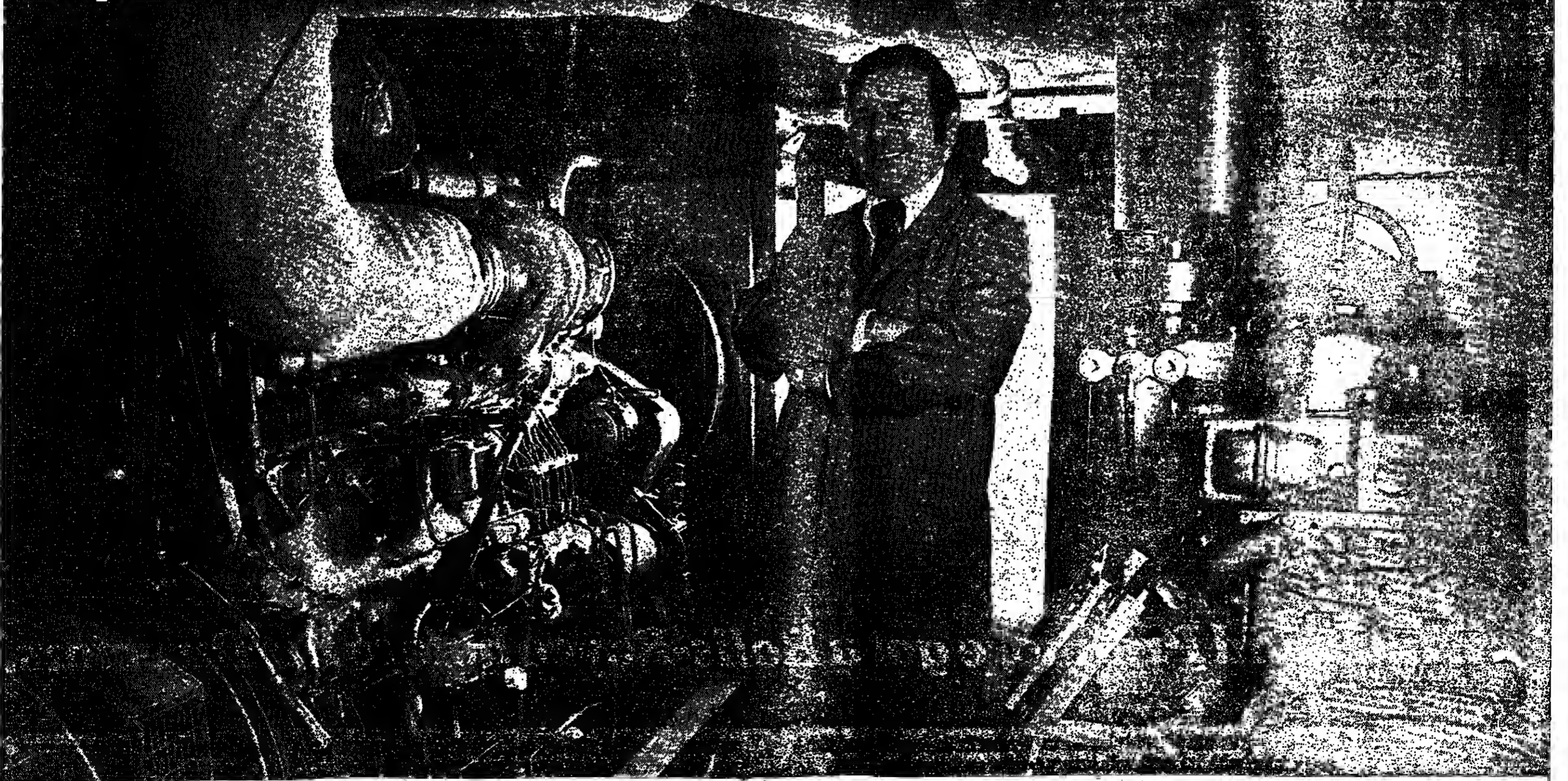
At Rolls-Royce Motors, test programmes in the new factory continually search for advances in efficiency, whether from the laboratory or from the computer-controlled test-beds, and are exploited in military, industrial and commercial applications.

In military engines in particular this results in considerable increases in power from the same engine.

This increase in efficiency of the C range engine is partly due to the discipline of working with the same cylinder. It is extraordinary to reflect that the CV12s in the new factory are producing 1200 and 1500 horsepower in military versions and are capable of running at over 1700 hp.

The same cylinder which produced 30 hp in 1952 will produce more than five times the power for the engine to power Britain's main battle tank of the Eighties.

Why Ron White got two Rolls-Royces before the Managing Director.



It would possibly be fair to say that Rolls-Royce tend to be associated with the best, with luxury, quality and prestige. Cost efficiency and competitive pricing do not immediately spring to mind. Yet this is exactly what Rolls-Royce diesel engines offer, and it is what makes them probably the best diesels of their type in the world.

The range of engines is comprehensive, from 130bhp to over 1,200bhp. They're of an advanced design with excellent economy and power to weight ratios, eminently suitable for a wide variety of applications including power generation, road transport, railways, marine, military and construction

equipment. This is backed up by a worldwide sales and service network.

Ron White is the Maintenance Engineer at Pullman-Kellogg Ltd. His Rolls-Royces power the stand-by generators at the London headquarters of this major engineering group. The acquisition of a Rolls-Royce is a shrewd investment, which is why Mr White received his before the Managing Director, who will no doubt have his fairly soon.

Should you want more information, or would like to test one contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division.



The Rolls-Royce of Diesels.

Rolls-Royce Motors Limited, Diesel Division, Shrewsbury SY1 4DP England. Telephone: 0743 52262. Telex: 35171/2.

ADVERTISEMENT

Power for the new generation of military vehicles

LONG BEFORE the Merlin howled its defiant note in the Spitfires and Hurricanes throughout the Battle of Britain skies the name of Rolls-Royce had become synonymous with military power. Even the sands of Arabia had seen a Rolls-Royce armoured car during the First World War.

Indeed the armoured Rolls-Royce Silver Ghost used by Lawrence of Arabia

and there is the inherent interest of the British for military matters. The result has been to give an impression that military orders and work have an overriding concern within the company.

Quantitatively the military diesel engine represents a small part of the company's overall business. Qualitatively the military diesel plays a vital role.

The multi-million pound factory built

output, compact diesel built in cast iron that can be used in armoured and logistic vehicles yet with little change be adapted as a generator set prime mover, or other industrial applications such as marine propulsion, rail traction or off-highway transport.

It was these factors, along with good fuel consumption, and ease of maintenance that won the British Army over to selecting a Rolls-Royce diesel against an American turbine for its next generation of main battle tanks, the MBT 30.

This accolade from the British Army will, undoubtedly, open other military doors for the Condor.

Licence deal

Twice this year the engines have been displayed in Washington DC and talks are in progress with Teledyne Continental on a possible licence deal to build the engine should the American XM-1 tank project suffer further problems with the turbine engine. But the Condor range will not only provide the massive 1500 horsepower now demanded by the builders of

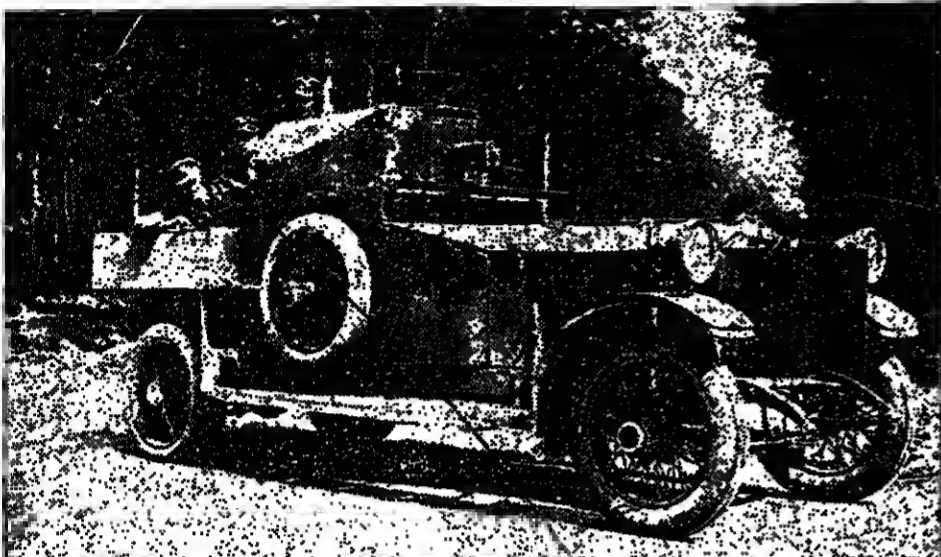
main battle tanks. The eight cylinder version, from a box volume of just over a cubic metre, provides up to 800 horsepower for smaller fighting vehicles such as armoured personnel carriers and mechanised combat vehicles, as well as for heavy wheeled vehicles.

Fast transporter

The 12 cylinder Condor is already running in the Scammell Commander, a giant tank transporter capable of carrying the next generation of heavy battle tanks. With an all up weight of over 100 tons it moves at close on 40 mph and will easily re-start on a 1 in 6 gradient.

Jordanian interest

The 1200 horsepower Condor, already fitted to the Chobham armoured improved Chieftain, could produce a sizeable order for Military Engine Division if the British Army seek an interim main battle tank before MBT 30 enters production. And there is considerable interest from Jordan for the Condor engine Chieftain.



The most elegant armoured personnel carrier in the history of warfare! Rolls-Royce Silver Ghost armoured cars were used by Lawrence of Arabia.

must be the most elegant armoured personnel carrier in the history of warfare. Certainly Lawrence was impressed. Of the Silver Ghost he said: "A Rolls in the desert was above rubies."

Hard facts

But such tales do not influence the modern soldier and politician in the choice of power plant for modern fighting and logistic vehicles. It is hard facts, and above all reliability and performance that they require. The ability to provide all that the military man needs in these aspects is the reason why Rolls-Royce Motors and the Military Engine Division at Shrewsbury remain in the forefront of the most exacting engine business in the world.

The role of the Military Engine Division within Rolls-Royce Motors has been misunderstood. The Press is quick to follow stories that catch the public-eye

at Shrewsbury to build the new CV range of high power diesels is a classic example of forethought by Rolls-Royce Motors. The facility can build either military or commercial types of the CV range with little change of emphasis, and thus can respond rapidly to customer requirements.

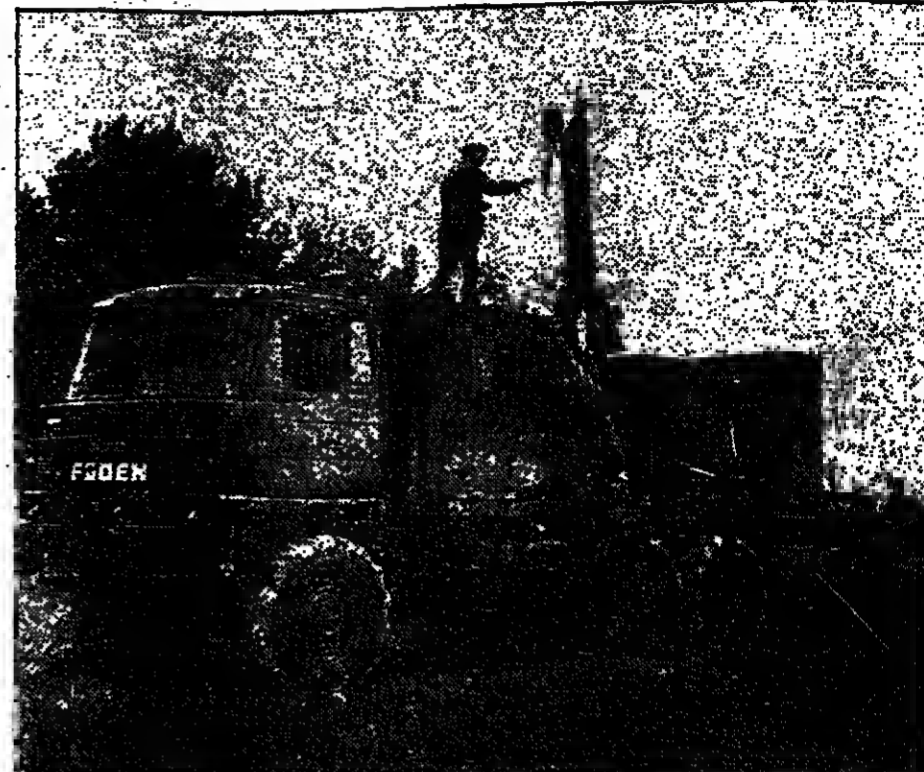
Low cost

The design of the CV range is also a Rolls-Royce Motors solution to the difficult problems of the military engine. While military diesels have a life calculated in hundreds of hours the commercial world has always demanded much more—thousands of hours of running, long term reliability and low first cost.

The CV range—or the Condor, as it is known, in military form—unites both worlds. Evolved from existing Rolls-Royce technology the CV is a high specific



The versatile Combat Engineer Tractor is now in service with the British Army of the Rhine.



The British Army's low and medium mobility logistic fleet is powered by Rolls-Royce Eagle diesels. A 305 horsepower version of the famous six cylinder in-line Eagle drives the new medium mobility gun tractor for the NATO FH70, 115mm howitzer. Renowned for its fuel economy, the turbocharged Eagle is also fitted to the FH70 ammunition limber vehicle.

The Eagle diesel is also a best military seller for Rolls-Royce Motors. The British Army's new low and medium mobility logistic fleet runs on the company's power and the Eagle also drives the new gun tractor and limber for the FH70 howitzer.

Combat tractor

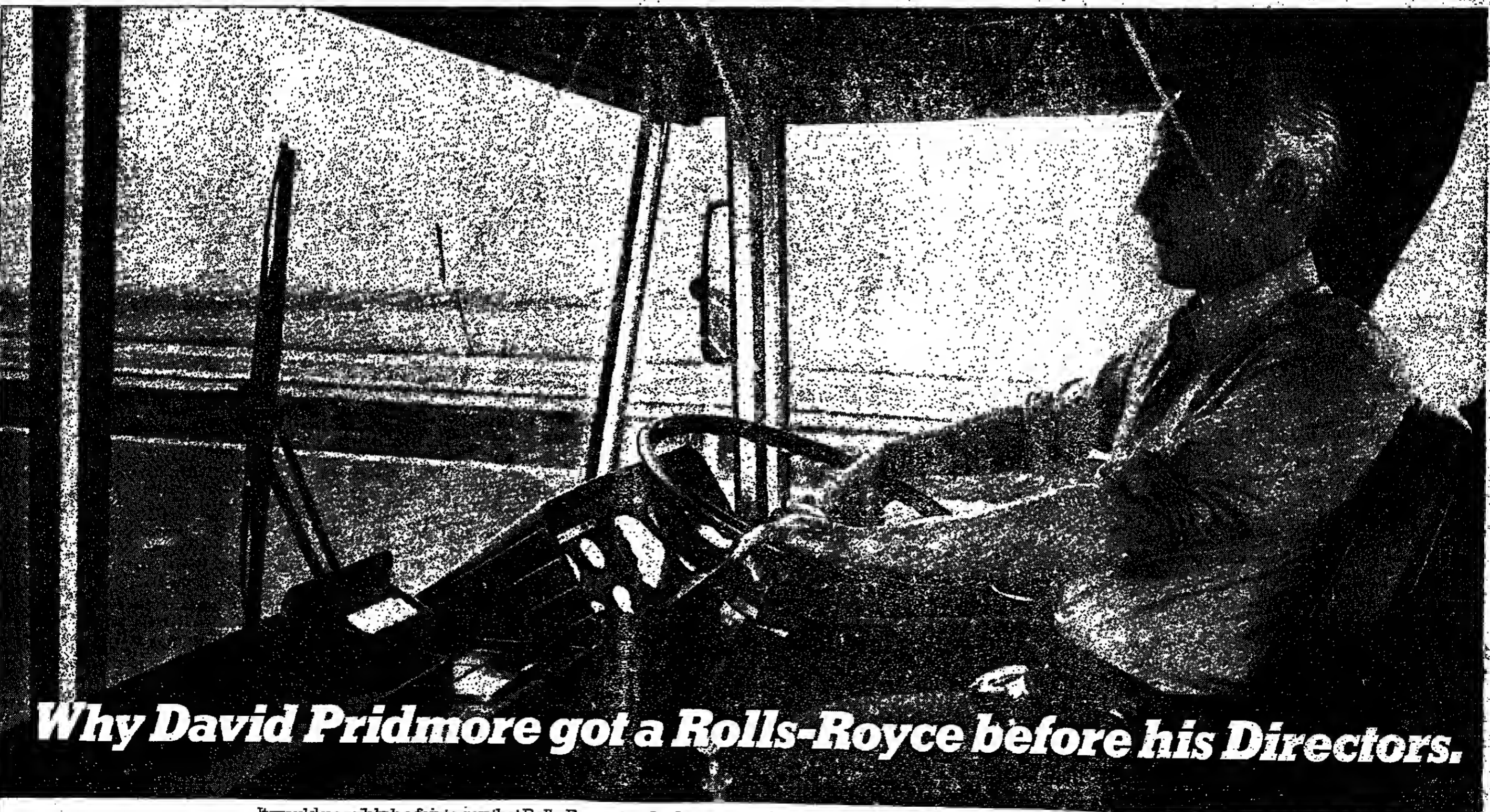
Engineer transporters, cranes and other vehicles all use Rolls-Royce diesels but a most significant adaptation of the company's diesels is the six cylinder C range engine fitted to the versatile Combat Engineer Tractor used by the British Army. This advanced armoured earth moving vehicle is of considerable interest to NATO countries and has been trialled by the United States. Whatever short-term difficulties it may encounter in the wake of the cancellation of its Iranian business, the medium and long-term future for Military Engine Division

looks bright. The new factory is already building, and will continue to build CV and CV12 commercial engines. Development work is already under way on a 1500 horsepower Condor for the MBT30 and sales teams are promoting its virtues of the engine world-wide.

World sales

On the test beds the Condor 12 cylinder engine has already been taken to 1700 horsepower and the figure 2000 horsepower is a target for the future.

Said Mr Bob Young, Director of the Division: "Condor is the military engine for the Eighties and beyond. We have high hopes of world-wide sales. The design philosophy of the CV range is unique and there is no doubt it will win another chapter in Rolls-Royce's military history."



Why David Pridmore got a Rolls-Royce before his Directors.

It would possibly be fair to say that Rolls-Royce tend to be associated with the best, with luxury, quality and prestige. Cost efficiency and competitive pricing do not immediately spring to mind. Yet this is exactly what Rolls-Royce diesel engines offer, and it is what makes them probably the best diesels of their type in the world.

The range of engines is comprehensive, from 130bhp to over 1200bhp. They're of an advanced and sophisticated design with excellent economy and power to weight ratios, eminently suitable for a wide variety of applications including power generation, road transport,

railways, marine, military and construction equipment. This is backed up by a worldwide sales and service network.

David Pridmore's Rolls-Royce 'Eagle' 265L powers a Dennison tractor unit for John Marsh & Son Ltd. The acquisition of a Rolls-Royce is a shrewd investment, which is why Mr. Pridmore received his before his Directors, who will no doubt have theirs soon.

Should you want more information, or would like to test one contact any authorised distributor or George Reeves, Marketing Director, Rolls-Royce Diesel Division.



The Rolls-Royce of Diesels.

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مكتبة النخيل

Smiths at £25m after static second half

AFFECTED BY low demand from the motor and shipbuilding industries, pre-tax profits of Smith Industries fell slightly from £14.58m to £14.15m in the second six months ended August 4, 1979...

At the interim stage, the Board warned that second-half results were unlikely to match those of the corresponding period last year.

Turnover for the year rose 13 per cent to £254.65m, while exports from the UK increased by 20 per cent.

Stated earnings per 50p share, before tax of £7.45m (£6.12m), were 52.1p (46.5p) and 36.6p (33.5p) after the same.

DIVIDENDS ANNOUNCED

Table with 5 columns: Company Name, Current payment, Date of payment, Corred. Total, Total last year. Includes Advance Laundries Int., Arbonhot Latham Int., etc.

Dividends shown below per share net except where otherwise stated. * Equivalent after allowing for scrip issue.

The group's aerospace business had a good year with buoyant demand that is expected to continue.

Profits from world-wide medical activities exceed £3m and in June, Concord Laboratories Inc. in the U.S. was acquired for \$9m.

LBI hit by strong pound

HIT BY the strength of the pound, pre-tax profits of Lloyds Bank International fell from £44.2m to £40.1m in the year ended September 30, 1979.

Despite lower world economic growth, advances rose by 33 per cent to £3.83bn but fierce competition again narrowed margins, and costs continued to rise.

The share of profits earned by both the Far East and Middle East divisions again increased, contributing 12 per cent and 11 per cent respectively.

After all charges the profit attributable comes through at £19.9m against £20.2m. This has been added to reserves to support continued expansion.

HIGHLIGHTS

It was a busy day for offer documents and LEX looks at the agreed offer from Thurn for EMI and the latest rejection document from Averys in reply to the improved GEC offer.

GEI may achieve record year despite setbacks

TAXABLE surplus of GEI International, engineer, remained virtually static at £2.41m, against £2.32m, in the half year to September 30, 1979.

The engineers' strike really hurt in terms of orders, sales and missed opportunities, says Mr. Thomas Kenny, chairman.

But he adds that the value of outstanding orders is higher than it was 12 months ago.

The half-year results exclude the profits of recently-acquired Sanderson Kayser, manufacturer of steel and tools.

To replace funds used in the acquisition and to support SK's working capital, Equity Capital for Industry and the National Coal Board Pension Funds have agreed to subscribe equally for new GEI shares to yield £2m.

Depending on the GEI share price over the next few days, ECI and the NCB Pension Fund

CU recovers lost ground after good third quarter

AN UNDERWRITING loss of only £400,000 in the third quarter and continued strong growth in investment income enabled Commercial Union Assurance to close the gap in pre-tax profits at the nine months stage.

The taxable surplus amounted to £98.9m, compared with £101.1m there was a 56m shortfall in the unadjusted pre-tax profits at the half year.

World-wide premium income in sterling terms rose 5 per cent over the period to £391.2m.

Underwriting losses were £3.7m, against £11.5m at the half-year and a nine-month profit of £1.4m for 1979.

There was strong growth in most classes of business in the UK, and underwriting remained profitable in spite of a further substantial increase in fire wastage.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's results.

Table with 2 columns: Company Name, Date. Includes Interims: Chloride, Chamberlain and Hill, Chubb, Oavis (Godfrey), etc.

FUTURE DATES

Interims: Belley (C. H.), Nov. 15; Ovale International, Nov. 21; Hill (Matthew), Dec. 3.

Howard Tenens jumps to £0.6m - sees similar second half

PRE-TAX profits of Howard Tenens Services, the distribution and engineering services group, expanded from £256,000 to £510,000 in the six months to September 30, 1979.

Industrial and Commercial Finance Corporation has provided £500,000 of long term loan facilities to Cope Sportswear through its Leeds office.

FUNDS FOR COPE SPORTSWEAR

Industrial and Commercial Finance Corporation has provided £500,000 of long term loan facilities to Cope Sportswear through its Leeds office.

comment

Further rationalisation may well be on the cards at Howard Tenens but at least the heavy lossmaker, Wiltens, is now safely out of the way.

Mr. T. B. Morland, chairman of the business systems group, says in his annual statement that the Board is very conscious that shareholders over the past few years have fared less well than employees and pensioners.

With the lifting of dividend controls, the directors have formulated a future policy.

The directors intend to implement the policy over two years, the 7.5 per cent increase for 1979-79 being the first stage.

KALAMAZOO

Following the 7.5 per cent increase proposed to its 1978-79 net dividend, Kalamazoo has announced its future dividend policy.

Turnover for the half year was down from £19.89m to £14.55m, including £3.56m (£3.73m) from discontinued activities.

The extra ordinary debit of £115,000 this time relates to sale of the Swiss subsidiary, Howard Tenens Services SA.

comment

Further rationalisation may well be on the cards at Howard Tenens but at least the heavy lossmaker, Wiltens, is now safely out of the way.

AMBER DAY HOLDINGS LIMITED (Incorporated in England Registered No. 410594) Issue of £2,000,000 10 1/2 per cent Cumulative Redeemable Preference Shares 1999/2002 of £1 at par payable in full on acceptance.

Table of stock prices for SPAIN and BRAZIL. Includes Asland, Banco Bilbao, Banco Central, Banco Exterior, Banco Hispano, etc.

Bellway turns in £3.72m FOR THE year ended July 31, 1979, the directors of Bellway Holdings report turnover of £27m against £26.5m and taxable profits of £3.72m, compared with £3.1m.

Comparatives are not formally presented, they state, as this was the first year of the group's operation.

Pre-tax figures were struck after interest of £325,000 (£296,000) and was the subject to tax, SSAP 15 adjusted, of £37,000 against £168m.

Earnings per 25p share are shown at 22.2p for the period and the total net dividend is 7p with a 4p final in April the directors forecast a 6.5p total.

Bellway's building activities, bived off from the property side earlier this year, are showing steady, though unspectacular, progress.

comment

Bellway's building activities, bived off from the property side earlier this year, are showing steady, though unspectacular, progress.

Wm Press in Irish joint venture William Press and Son, the civil engineer, is to enter into a joint venture with H. A. O'Neill of Dublin after receiving a letter of intent for a contract, worth nearly £30m.

The contract has been awarded by Alumina Contractors for the installation of mechanical services in a large alumina extractive plant which is being constructed on Aghinish Island near Limerick.

The plant is being built for Aghinish Alumina which represents the three participating companies: financing the project, Alcan Ireland, Billiton Aluminium Ireland and Anarondis Ireland.

William Press and O'Neill have signed a joint venture agreement to handle the contract and will operate under the title, Press-O'Neill J.V.

SCOTTISH NTHN. INVESTMENT

The directors of Scottish Northern Investment Trust state that it should be possible to recommend an increase in total dividend for 1978-80 but no special payment will be made between interim and final in take account of exceptional distribution made by British companies following lifting of dividend controls.

When you buy your Omega from us, we'll make sure it's a special occasion! Buying an Omega is in itself a notable event, more so when it marks a special occasion. Watches of Switzerland Ltd. promise to make it even more memorable, because a visit to one of our specialist watch showrooms is an experience you will long remember with pleasure.

LONDON & PROVINCIAL SHOP CENTRES Joint Chairman R. Gerard and B. S. Berrick Results for year ended 24th June, 1979

State of Bahia U.S. \$100,000,000 Loan Unconditionally Guaranteed by the Federative Republic of Brazil Arranged by European Brazilian Bank Limited - EUROBRAZ

UK COMPANY NEWS

Companies and Markets

De La Rue advances to £17m and boosts interim Arensen profit jumps to £1.4m

ANNOUNCING a jump of 28 per cent to £17m in first-half 1979/80 profits, before tax, De La Rue, the security printing and electronic equipment group, is boosting its interim dividend by 69 per cent to 6.6p per 25p share.

£72.7m. Exports as a percentage of group UK turnover were roughly unchanged at 62 per cent. Interest received by the group during the period amounted to £1.7m; interest paid was £0.5m.

profits at 52 per cent the profit after tax would have been reduced by £0.2m (£1.4m). See Lex

AFTER a sharp jump from £278,000 to £431,000 at halfway, profits, before tax, of A. Arensen (Holdings), the office furniture and equipment group, emerged at a record £1.41m for the year ended July 31, 1979, compared with £0.89m.

Following a rise to a record £1.65m for the previous year, taxable profits of Young and Company's Brewery expanded from £667,288 to £924,751 for the half year ended September 30, 1979.

At the trading level profits showed an increase of 35 per cent to £14.45m and margins moved up from 18.5 per cent to 19.9 per cent. Earnings per share are shown to be ahead from 22.6p to 27.1p.

The directors state that they continue to be confident about the future. The current year has started well, with an aggressive attack in all marketing areas both at home and overseas.

Progress at Young Brewery... The directors state that they continue to be confident about the future. The current year has started well, with an aggressive attack in all marketing areas both at home and overseas.

LCP moves ahead 13% after second quarter setback

ON A 21 per cent rise in turnover to £101,68m, profits, before tax, of LCP Holdings rose by some 13 per cent to £5.17m in the six months ended September 30, 1979. This follows a jump from £4.2m to £6m in the year 1978/79.

The high level of interest rates and the uncertain economic climate are the two main factors affecting the group's trading performance, the directors state. However, the group has a strong base to withstand recessionary and financial pressures and they anticipate a satisfactory outcome for the full year.

The directors report that with the exception of engineering, where a trading loss of £250,000 was incurred, all divisions improved their first-half performance. First quarter results were some 40 per cent up but in the second three months there was a reduction in demand in certain manufacturing and marketing operations, and the impact of the engineering strike was very severe, particularly affecting the engineering and metals divisions.

figure from 4.9p to 4.1p. The interim dividend is effectively raised from 1.5p to 1.5p—the total for 1978/79 was equal to 3.6p.

The improved utilisation of plant and equipment continues to make an impact on Arensen's margins, which are up more than two points to 9 per cent. Profits are 59 per cent higher—a pleasing result given the difficult trading background. The improvement was in evidence across the board in both the domestic and office furniture markets, although exports, which are largely unaffected by unfavourable exchange movements as a result of high import content, were perhaps a little disappointing, increasing only 15 per cent to £1.7m. In spite of the gloomy economic outlook, the immediate future looks assured; deliveries in the first quarter are higher than the previous comparable period and there are sufficient orders to keep the factories busy for the rest of the year. Overseas markets provide the most scope for growth, although a strong push will have to wait for an improvement in the U.S. economy. Elsewhere, the rise in interest rates is not a problem as Arensen has cash in hand. At 128p, up 13p, the historical p/e is only 4.8 on

The directors report that with the exception of engineering, where a trading loss of £250,000 was incurred, all divisions improved their first-half performance. First quarter results were some 40 per cent up but in the second three months there was a reduction in demand in certain manufacturing and marketing operations, and the impact of the engineering strike was very severe, particularly affecting the engineering and metals divisions.

Following the closures last year, further rationalisation of the engineering division has taken place. Trading prospects in this area, which is almost entirely dependent on the British motor industry, are being urgently reviewed. The main difficulties arose in metal presses but, as a result of the engineering dispute, the group suffered its first loss in recycling,

The subsidiaries in France are achieving budgeted performance, and there will be a full six months contribution from the 24.4 per cent holding in the Whitlock Corporation of the U.S. Current performance of that company is on target.

Although the bookmaking side has been hit by the television strike the directors expect it to contribute satisfactorily to group results for the year, provided there is not too much disruption to racing this winter. The directors state that turnover in this division (£4.05m in the half year) is highly seasonal and profit in the second half rarely matches that in the first.

The first half profit before tax included a contribution of £4,126 from Manor House Finance. Tax requires £111,536 (£60,286), leaving a group net profit of £107,062 (£55,622).

Control Securities expansion

TAXABLE PROFITS of Control Securities, property company, jumped from £32,227 to £149,014 in the half-year to September 30, 1979, on increased turnover of £281,413, against £212,053.

The directors expect second-half profits to exceed those now reported, taking into account developments which are due to mature during the period and anticipated profit from recent acquisitions. For the whole of last year, the pre-tax surplus totalled £205,000.

The acquisition of Immofund 1963, the group's holding in Second City Properties has been raised to just over 10 per cent. Through Immofund, the group has acquired five blocks of flats in Dordrecht, Holland, from which a good profit is expected.

Salcs in the jewellery division have been influenced by VAT changes but with the Christmas period and tax rebates coming into circulation they look forward to an improved second half.

The net interim dividend is unchanged at 0.25p per 25p share—the total for 1978/79 was 2.36p paid from profits of £433,000. A special interim of 0.434p has already been paid in respect of 1979/80.

Growth for Northern Goldsmiths

INCLUDING a £109,100 contribution from PTS (Racing) this time, first-half 1978/79 profits before tax of Northern Goldsmiths show an increase from £115,878 to £218,618.

Group turnover in the half was up from £1.46m to £5.98m. Turnover of the jewellery division was up from £1.49m to £1.78m but profit was lower at £105,392 against

£115,878. The directors point out that the percentage increase in running costs for the first half has been greater than it should be for the whole year.

The net interim dividend is unchanged at 0.25p per 25p share—the total for 1978/79 was 2.36p paid from profits of £433,000. A special interim of 0.434p has already been paid in respect of 1979/80.

Mr. I. D. Wilson has been appointed chairman succeeding Mr. C. M. C. Rayds who will continue as group chief executive and chairman of the jewellery division.

EUROPEAN OPTIONS EXCHANGE

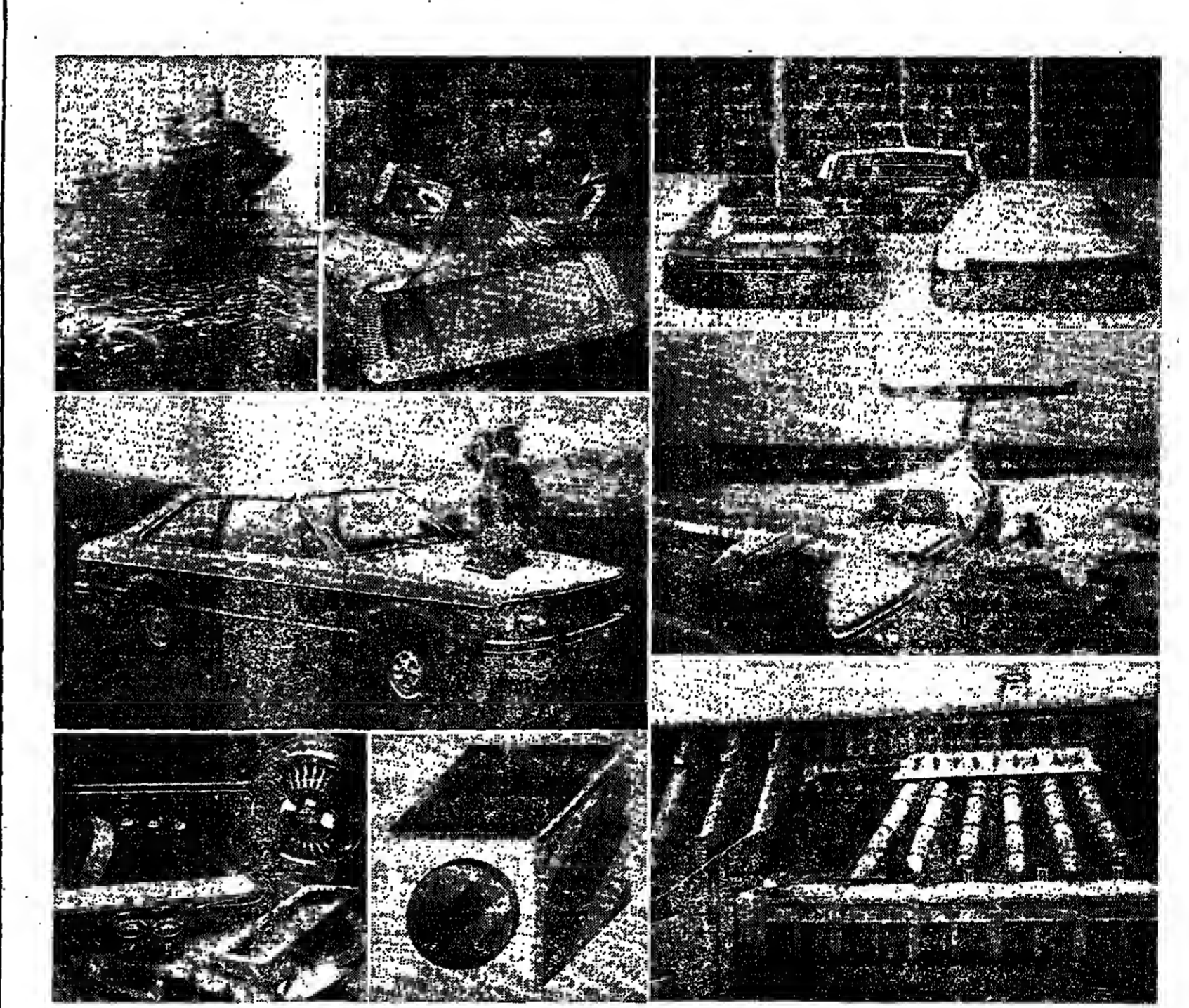
Table with columns: Series, Vol., Jan, Last, April, Last, July, Last, Stock. Includes various options for ABN, ANZ, ARS, etc.

Yearlings up to 15%

The coupon rate on this week's batch of local authority yearling bonds is increased from 14 1/2 per cent to 15 per cent. This is just 1/2 of a point below the previous highest level in November 1978 and a point below the peak level of January 1974.

Today's Company Meetings

Danks Gowerson, 357 Halesowen Road, Netherton, Dudley, West Midlands, 12.00. Soderstrom, Murray and Elder, Victoria Hotel, Bridge Street, Bradford, 12.15. George H. Scholes, Wylfax Works, Wythenshawe, Manchester, 12.00. Stoddard, Glendpatrick Works, Elderside, Johnston, Renfrewshire, 12.00. Trafford Park Estates, Millland Hotel, Peter Street, Manchester, 12.00.



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BIDS AND DEALS

EMI medical side 'needs special consideration'

SIR RICHARD CAVE, chairman of Thorn Electrical Industries, tells his shareholders that he does not "underestimate the difficulties" involved in taking over EMI. But his music business will expand Thorn's own home entertainment side, the leisure business will provide diversification, and defence and industrial electronics will improve Thorn's technological base.

The medical electronics operation "would need to be given special consideration," he says.

The letter outlining these points invites shareholders to a special meeting on December 6 to approve the bid for EMI, authorise an increase in capital and change the name of the company to Thorn EMI.

The £168m bid will close the day before and in the case of the cash element only, will not be extended.

Meanwhile, EMI is promising its annual report and accounts tomorrow.

Sir John Read, chairman of EMI, has already foreboded much of his annual statement in his letter with the offer document. Current order books for defence electronics are at record levels, he says.

The film programme is expanding. Margins in the music business remain under strain but benefits should be coming through as a result of recent "strengthening measures." Nevertheless, "much needs to be done."

So far as the loss-making medical electronics side is concerned, Sir John confines himself to saying that the new CT 7070 scanner has been "well received" and he understands Thorn intends fully to support

the 1,000 scanners already installed round the world.

The remainder of the offer document contains few new facts, apart from the terms of the offer for the two classes of preference shares. Thorn is offering 51p in cash for each of EMI's 3.5 per cent preference stock, and 88p for each of the 4.025 per cent class.

Thorn has agreed to bear all the expenses related to the merger which are estimated at £8.75m excluding VAT.

See Lex.

BLACKWOOD HODGE BUYS FROM NCC

The Blackwood Hodge Group has purchased NCC Commercial Vehicles and its subsidiaries for £1.79m cash. The companies acquired form the commercial vehicle division of National Carbonising Company and have been sold in pursuance of the NCC board's policy of concentrating activities in the sphere of energy.

Group profits before tax of NCC were £166,000 for the year ended March 31, 1979. The value of its net assets at that date were £1,286,000.

KITCHEN QUEEN —MOBEN HOME

Direct selling is the fastest growing sector of the fitted kitchen market, writes Mr. N. B. Johnson, chairman of Kitchen Queen, in a circular to shareholders about the proposed purchase of Moben Home Improvements for a maximum of £5.2m. Recommending the deal, Mr. Johnson says that Kitchen Queen

had investigated the idea of going into this field in its own right. But its studies revealed that Moben was already the clear market leader and that setting up a competitor would divert a considerable amount of management time and resources. Moben has an "individual and highly successful formula," says Mr. Johnson.

The price to be paid is a minimum of £2m up to a maximum of £5.2m depending on the profits made by Moben in the year to August 31, 1980. The higher figure will be payable if Moben makes pre-tax profits of £1.5m or more in the five months to August 31, 1979. Moben made a trading profit of £185,000 after trading losses of £63,000 by a new subsidiary completing pre-acquisition obligations which have now come to an end.

In return for its initial outlay of £2m, Kitchen Queen will have received net tangible assets of £1.1,000. The goodwill arising will be written off against revenue reserves in the year of acquisition. The directors consider this will not adversely affect Kitchen Queen's dividend policy.

Current trading at Kitchen Queen itself is said to be "continuing at a satisfactory level."

Current trading at Kitchen Queen itself is said to be "continuing at a satisfactory level."

SKETCHLEY

Sketchley has acquired M. Collins and associated companies for £890,000 cash and a further sum, still to be determined.

The companies operate a total of 22 dry-cleaning outlets under the Collins name in Central London and under the name of Cardinal Cleaners in Surrey and Sussex.

KCA buying oil services concern

KCA International, the oil servicing and contracting group, is buying 83.7 per cent of Exploration and Production Services from New Court Natural Resources and plans to make an offer for the minority interest in a deal which values the group at £1.5m.

Exploration and Production Services was formed in 1973. It provides a wide range of specialist services to the oil and gas industry during the exploration, development and production of oil and gas fields. Net profits for the year to March 31, 1979, were £305,448.

Other services of Exploration and Production include well-testing, wire-line engineering, production services and fluid sampling which are provided on about 25 per cent of mobile rigs and 80 per cent of the production platforms in the North Sea as well as in a number of overseas locations.

Mr. Paul Bristol, chairman of KCA, said yesterday that the deal was being financed from KCA's liquid resources. He added that the linking of Exploration and Production and KCA would offer considerable opportunities for both companies to develop their servicing activities worldwide.

"With the expected upturn in oil and gas exploration and production activity, Exploration and Production will be a very important part of the KCA Group and will add substantially to overall group profits," he said.

ANTONY GIBBS

Antony Gibbs Holdings, the small City accepting house in which the Hongkong and Shanghai Banking Group holds a 40 per cent stake, has sold its 25 per cent stake in Wirtschafts- und Privatbank of Zurich for £1.2m.

The purchasers are Bayerische Vereinsbank of Munich and Creditanstalt-Bankverein of Vienna, which were existing shareholders in the Zurich bank.

The sale was forced on Antony Gibbs because of Hongkong and Shanghai's decision to open a branch in Zurich. An agreement between the shareholders of Wirtschafts- und Privatbank required any of them to offer their shares to the others should they or one of their associates establish a separate banking business in Zurich.

Gibbs says it will deploy the sale proceeds in the continued development of its UK banking business.

Gibbs says it will deploy the sale proceeds in the continued development of its UK banking business.

TECALEMIT BUYS CHADWICK

Tecalemit has acquired J. T. Chadwick and J. T. Chadwick (Ermingham) for £352,000 in cash and shares. Chadwick is a distributor of engineering products, including those of Tecalemit, in the Sheffield and Birmingham areas.

Payment will be 117,000 new ordinary shares and £264,250 cash. Net tangible assets acquired amounted to £322,000 at August 31, 1979. The new shares will not rank for the current year's interim dividend.

NEIL & SPENCER IN £1.7M DEAL

Neil and Spencer Holdings has exchanged conditional contracts for the acquisition of Westair-Hargreave for £1.7m in cash and shares.

Westair-Hargreave manufactures industrial air control and dehumidifying equipment and other types of air control systems for the Ministry of Defence.

It employs approximately 280 people at East Molesey and Shillon, County Durham.

Profits before tax of Westair-Hargreave for 1978 were £500,000 and the vendors, J. M. Hargreave (Holdings), majority shareholders in Westair-Hargreave, have warranted that pre-tax profits for 1979 will be not less than approximately £4.5m.

Mr. John Box, chairman of Neil and Spencer, says there is a close similarity in terms of product design, manufacture, marketing and general management techniques. "We believe that demand for Westair-Hargreave's products is capable of significant expansion with the support of our UK and overseas marketing and service resources."

Panto reducing tobacco stock

The Board of P. Panto, the wholesale tobacconist, confectioner and grocer, has agreed with ICFI to reduce its tobacco stock levels by £360,000 by December 22.

The agreement was part of the arrangement announced last week whereby ICFI is to make a secured loan of £490,000 to Panto which incorporates an option to subscribe for 16.35 per cent of the equity.

Panto has agreed that tobacco stocks and other lines will be kept at a level which does not involve additional short term funds.

The Board believes that having regard to available bank and other facilities, the company and its subsidiaries will have sufficient working capital for their present requirements.

The recent sharp competition between tobacco manufacturers has eroded margins, says Panto, and this, together with inflation, has caused pressure on the company's resources.

RANK SALE

Limond Electronics has acquired from the Rank Organisation the Baron navigation instrument business. The consideration is considerably less than 1 per cent of the net assets of Rank.

ROTORK

Rotork has agreed to purchase 40 per cent of John Dawson Motor Holdings, the west country motor shop group, for up to £200,000 cash, contingent upon the audited results to September 30, 1979.

STANLEY/BLAKEY

A. G. Stanley Holdings has compulsorily acquired the ordinary shares of Morris and Blakey Wall Papers outstanding following its offers for the ordinary and "A" non-voting shares of the company. The offer for the "A" shares has closed with acceptances of 85.92 per cent bringing Stanley's holding of this class to 86.54 per cent.

SHARE STAKES

City Offices Company—Mr. George Xenophon Constantinidi, director, has become beneficially interested in a further 100,000 ordinary making holding 618,130.

North British Properties—Sun Life Assurance has acquired 200,000 ordinary making holding 2,795,000 (21.56 per cent).

West Beacomble Spring Company—D. A. Cooper-Smith, director, has acquired a non-beneficial interest in 185,000 ordinary, making holding 618,625.

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- ★ How to make rescheduling more efficient
- ★ The British banks in the Euro-Currencies, Credits and Bond markets after UK exchange controls abolition
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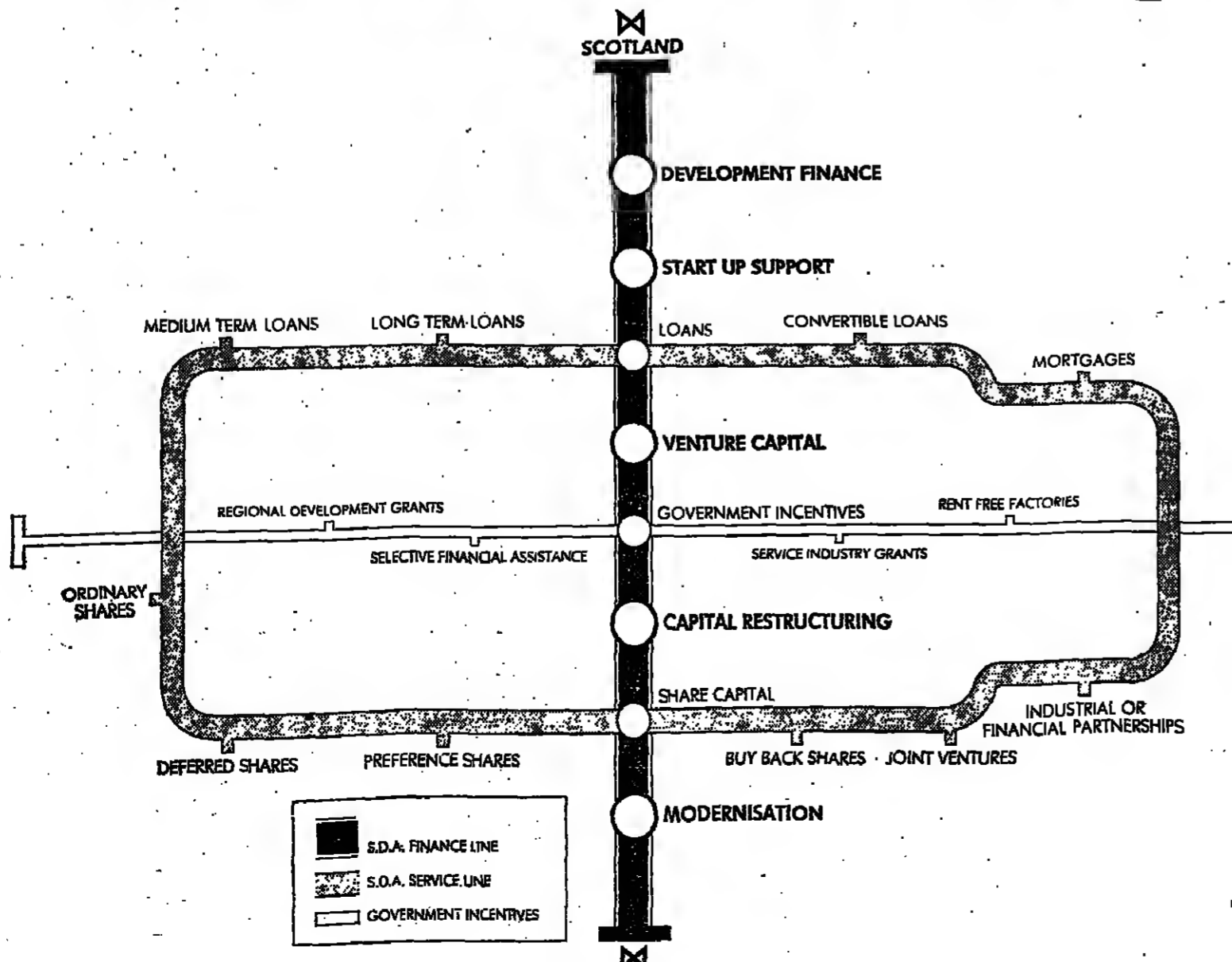
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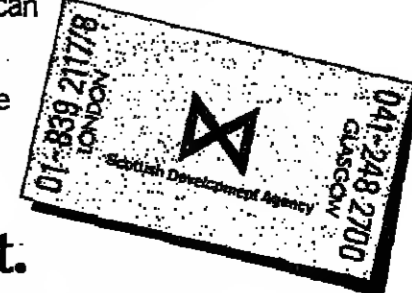
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NORTH AMERICAN NEWS

Penney hit by slowdown in consumer spending

BY STEWART FLEMING IN NEW YORK

THE MARKED slowdown in consumer spending and the continued rise in costs has hit the third quarter earnings of J. C. Penney, the second largest retail stores group in the U.S. The company reported that third quarter earnings were 13.7 per cent down at \$60m compared with \$68m a year ago.

registered a 1.7 per cent decline, the steepest since sales tumbled 1.9 per cent in March of 1975 at the height of the last recession. A big factor in the October retail sales decline was the cut-back in motor car purchases, but sales of retail store goods have also been weak.

Through much of the year, real income has lagged behind the rate of inflation in the U.S. and this has also had an impact on retail sales. There are fears that consumer debt burdens have reached levels which will inhibit spending. Thus, the record \$4.45bn expansion in consumer credit in September is far from being interpreted as a positive factor for retailers, since about \$1bn of the rise reflected a slowdown in the rate of repayments, suggesting to some economists that consumers' finances are being stretched.

Advance at Canadian Pacific

BY ROBERT GIBBENS IN MONTREAL

CANADIAN PACIFIC LTD., the main holding company for all the Canadian Pacific interests, pushed earnings 52 per cent ahead to C\$365m or C\$3.11 a share in the first nine months of this year against C\$241.4m or C\$2.34 a share a year earlier.

C\$14.9m in the nine months against a loss of C\$11.5m. Also CP Steamships reported better results. Genstar, the Montreal and Calgary real estate developer and producer of building materials and chemicals, earned C\$79.6m or C\$2.70 a share in the first nine months against C\$51.7m or C\$1.95 a year earlier on revenues of C\$900m against C\$775m. Per share earnings reflect a two-for-one stock split last June. Last month, Genstar offered US\$310.9m for Flintkote, the U.S. building products company.

Third quarter profit was C\$35.3m or C\$1.22 a share on revenue of C\$383m against C\$22.4m or 84 cents on revenue of C\$310m a year earlier. The company sees a good fourth quarter and expects moderate growth in profits in 1980.

Bell Canada seeks ruling

TORONTO — Bell Canada applied yesterday to the Canadian Radio-Television and Telecommunications Commission (CRTC) asking it to decide whether the public should be allowed to connect telephones to the Bell network.

repair customer-owned telephones when they break down, what standards should be set for equipment and who should be responsible for certification. It said if the CRTC verdict favours more competition, Bell will open its lines to the connection of any terminal devices certified by the Federal Department of Communications. It wants to know who will

BANK RESULTS

Slower growth in profits ahead

BY STEWART FLEMING IN NEW YORK

FOR TWO leading U.S. banks, the third quarter of 1979 was a landmark. Both Bank of America and Citicorp reported that their total assets had surpassed \$100bn. But for the industry as a whole, the quarter almost certainly marks a turning point.

that the economy will be turning up again by the third quarter of 1980, and that the current record levels of short-term U.S. interest rates will not last beyond the early part of next year. A fall of between five and six percentage points in short rates and the banks' cost of funds early in 1980 would be a major factor in any rise in

increase, Chase Manhattan, number two in New York, reported a 61 per cent gain, further evidence that the bank is shaking off the disasters of 1974 and 1975. The major factor behind this continued strength of bank profits in the third quarter was another surge in loan volume. Overall loans in the commercial,

credit worthiness of some of their customers, particularly the economies of some of the most advanced projects they were involved in before the Fed's October 6 policy change. As the economy slows, but 1980, business borrowing needs can also be expected to decline. Indeed there are already signs

more rapidly than the growth of their shareholders' funds, but put further unsettling the regulatory which are also growing uneasy about bank capital adequacy. There is the chance, either that a further expansion of international lending can compensate for slow loan demand in the U.S. In the first half of 1979, international earnings held strongly, partly because moves by major banks to expand their local currency lending abroad. This helped to offset narrow profit margins on a border Eurocurrency lending more cautious attitude towards international lending than that of four years ago, however, for some banks, simply because of the depth of the commitment already. Over the fifth of the profits of the leading banks now come from overseas.

Table with columns: BANK, TOTAL ASSETS, Change on previous year, Third quarter, Change on last third quarter, NET INCOME, Nine months, Change on previous nine months. Rows include Bank of America, Citicorp, Manufacturers Hanover, Morgan Guaranty, Continental Illinois.

bank profits next year. Mr. Salsim suggests that if it occurs it will result in a "huge improvement" in banks' net interest margins—the difference between what a bank pays for its funds and what it can lend them at.

There was little sign of the tougher times ahead in the third quarter figures just released by the major banks. Certainly there has been some moderation in the rate of earnings growth. In the first and second quarters of this year, bank profits improved by around 27 per cent and 21 per cent respectively, compared with the same period of 1978, and in the third quarter the rate of increase was down to around 18 per cent. Moreover, within this figure, there were marked variations. Thus, while Citicorp, New York's largest bank, reported a 17 per cent profit

that this may be happening. In October, the growth of commercial and industrial loan volume slowed sharply. Some analysts are expecting another temporary resurgence, however, before tight money really bites into the growth of bank lending.

There are signs, too, that the spread between what banks charge for funds and what they have to pay for money to lend will be squeezed. Already, political pressure has inhibited the banks from raising their prime lending rate in line with the increase in their funding costs. This squeeze is likely to intensify, if they find themselves having to increase substantially their liability base and running into the Fed's punitive reserve requirements as a result.

On October 6, the Fed imposed new reserve requirements on increases in banks' liabilities above a specified base, a move which will increase the banks' cost of funds sharply as their liabilities grow. Another factor which will slow earnings growth is the fact that many banks are approaching the limits of their ability to expand their balance sheets

Air Canada sale urged

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN Government should allow individual Canadians to buy shares and invest in Air Canada, the Government-owned airline within two years said Mr. Claude Taylor, the airline's president.

"I would like to have a complete presentation to make to the Federal Government early in the New Year, explaining how some control of the airline could go to private investors within two years," he said. Air Canada's "privatisation" would have to be a gradual process. He suggested that the Government follow Britain's example.

mortgage and consumer sectors, increased at around a 20 per cent annual rate in the third quarter. In New York, commercial and industrial lending once again followed the traditional pattern, expanding strongly at the end of the upswing in the economic cycle, and increased at a 30 per cent annual rate.

Although some banks reported that there was pressure on their lending margins, overall the banks were able to keep the prime lending rate at 13 1/2 per cent, well below the 15 per cent of last year. This is a sign of the unwillingness or inability of bank customers to finance new debt at such high cost. The banks themselves are already taking a harder look at the

for the major banks, however, are already taking a somewhat pessimistic view. In part, this is because of memories of the losses which piled up at banks as the 1974-75 recession gathered pace, losses stemming in large part from speculative lending in the real estate market. Those events blackened the image of bank managers in investors' eyes. Currently, few expect that another similar disaster lies ahead for the banks, although there are fears that a summer loan losses could amount to a severe recession. The banks say they have the problem under control.

He expected considerable interest from public and private investors for Air Canada shares. The Government-owned airline would gain indirect benefits from having some private shareholders. It would no longer be a political football, a fact that could help Air Canada's operations.

He said the eventual goal of turning Air Canada over to private investors was one reason why the airline had worked so hard to become profitable.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of International Publications on the second Monday of each month. Closing prices on November 14.

Large table with columns: U.S. DOLLAR, EUROBOBDS, DEUTSCHE MARK, SWISS FRANC, YEN STRAIGHTS. Includes bond names, amounts, and prices.

British Steel Corporation £14,588,235 Bareboat Charter Financing Arranged by FIRST DALLAS LIMITED

HEMISC HELICOPTERS INTERNATIONAL, INC. US \$ 8,000,000 Medium Term Loan provided by First National Bank in Dallas, Continental National Bank of Fort Worth, First International Bank in Houston, New England Merchants National Bank

Twin Otter Limited US \$ 7,312,500 Export Finance Facility for equipment leased to Metro Airlines guaranteed by and funded through Export Credits Guarantee Department Arranged by FIRST DALLAS LIMITED

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Disappointing third quarter for Philips

BY CHARLES BATCHELOR IN AMSTERDAM

DISAPPOINTING colour television sales had an adverse impact on the results of Philips...

5.6 per cent of sales in the third quarter compared with 6.5 per cent last year.

partly accounted for the increase of only 3 per cent in sales expressed in guilders in the nine months.

Sales in Europe and North America matched the 3 per cent concern rate of growth...

The company has also revised its net profit forecast for the year as a whole...

Falling demand for colour television sets in Europe has forced Philips to consider the introduction of short time working throughout its European television tube and assembly plants...

for sound and vision" and "industrial supplies" being lower than in the first nine months of 1978.

Philips does not intend to make an improved bid for 45 per cent of the shares in the U.S. company, Perteq Computer Corporation.

On the positive side, losses resulting from currency fluctuations are expected to be lower this year than the \$1370m written off in 1978.

Volume sales rose 5 per cent in the January-to-September period despite the hesitant world economy.

Philips New Zealand has bid NZ\$1.55 per share for the 35.5 per cent of the shares of Pyc West Zealand not already owned by Pyc UK.

The company is coming to the market shortly after Rhone-Poulenc, the chemical giant, which recently announced an issue of FF 473.5m.

Aeritalia wants to join jet project

BY RUPERT CORNWELL IN ROME

AERITALIA, the leading Italian aerospace group, is exerting strong pressure for its own inclusion in the Anglo-French-German study group currently evaluating the feasibility of a new jet tactical combat aircraft for the late 1980s.

A factor arguing strongly for Italian participation is that the new aircraft, aimed at replacing the Jaguar, is likely to use a derivative of the RB-199, the engine which equips the Anglo-German-Italian Tornado.

owned Aeromachi. It will be powered either by the Rolls-Royce Spey, or a new engine developed by Fiat and Alfa Romeo.

\$20m rights issue by Chausson

By Terry Dodsworth in Paris

USINES CHAUSSON, the French vehicle body manufacturer, is aiming to raise about FF 84m (\$20m) in a one-for-one rights issue designed to help fund a large-scale expansion and investment programme.

Chausson is a significant company both in heating equipment, where it is a leading vehicle radiator manufacturer, and in bodywork manufacturing for the light commercial vehicle industry.

Sika Group improves turnover

BY JOHN WICKS IN ZURICH

CONSOLIDATED TURNOVER of the Swiss-owned Sika Group, which makes chemical products for the building industry, rose to SwFr 262m (\$156.9m) last year, from a 1977 total of SwFr 248m.

SwFr 13.53m to SwFr 14.09m (\$3.44m), with group net profits up from SwFr 2.44m to SwFr 2.76m.

Unkeller Holding, of Zurich. This group is active particularly in the manufacture of sound insulation materials and of paints and coatings.

In 1975 Chausson slumped to a heavy loss of FF 87m but it has virtually recovered its position since then, and is forecasting a dividend for 1979.

The company now proposes to step up its investment rate substantially, from an average of FF 59m a year to FF 120m a year in the 1979-81 period.

Sharp first-half upturn for Esselte

BY VICTOR KAYETZ IN STOCKHOLM

NOTING MARKEDLY improved demand for the products of its office supplies, packaging and corrugated board units, Sweden's Esselte group recorded a 33 per cent rise in pre-tax profit to SKr 127m (\$30m) for the first half of the financial year to March 31.

Custom printing companies in Sweden experienced good demand, but recorded lower earnings due to increased costs, a problem that is also causing concern about the remaining months of the financial year.

Esselte Dymo and Esselte Pendaflex, the two foreign-based divisions that sell office supplies, reported good six-month results and are gaining ground in many countries, the group said.

Thyssen sheds Brazil interest

By Jonathan Carr in Bonn

THE DIVERSIFIED steel group, Thyssen, West Germany's largest producer, plans to give up its 45 per cent stake in Companhia Siderurgica da Guanabara (Cosigua), a leading Brazilian manufacturer of wire rod, bars and drawn products.

Thyssen said that a basic accord on the move had already been reached in talks with Cosigua's other shareholder, the Brazilian Gerdau group, to which Thyssen would transfer its stake.

MEDIUM TERM FINANCING

Good headway by Latin American credits

BY OUR EUROMARKETS STAFF

THE REPUBLIC of Brazil's large Eurocurrency syndicated financing to support the development of its domestic energy sector is likely to be increased to \$1.2bn from the original target of \$1bn.

should now be completed after agreement on a legal wrangle which has been blocking the credit.

Impresa Nacional de Telecomunicaciones of Argentina, is raising \$50m through a ten-year credit via Norddeutsche Landesbank International.

is seeking a \$200m 10-year loan on five terms. Bankers Trust International, co-lead manager with European Arab Bank, is introducing the credit at a margin of 7 per cent throughout.

TOSHIBA TOSHIBA CORPORATION 7 1/4% Convertible Debentures Due 1994. Includes list of participating banks and financial institutions.

EUROVIAS, CONCESIONARIA ESPAÑOLA DE AUTOPISTAS, S.A. Yen 6,500,000,000 Floating Rate Loan. PARTLY GUARANTEED BY The State of Spain. Includes list of participating banks and financial institutions.

CURRENCIES, MONEY and GOLD

Pound firm

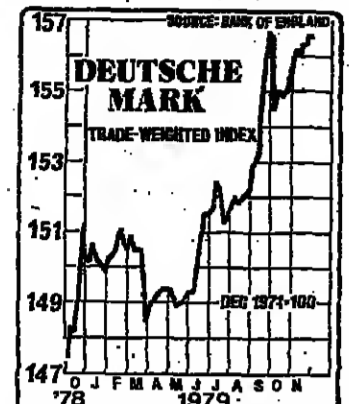
Sterling was firm in active foreign exchange trading yesterday, while the U.S. dollar lost ground against most major currencies. The pound opened at \$2.1145-2.1155, and touched a high point of \$2.1150-2.1160 in the early trading, following the Prime Minister's speech at the Lord Mayor's Banquet on Monday. Trading was generally thin, however, with sterling falling to \$2.1100-2.1110 in the afternoon, reflecting selling in New York. Sterling closed at \$2.1095-2.1105, a fall of five points.

SwFr 1.6575. The Japanese yen was weak in early trading—after touching a two-year low in Tokyo—but improved towards the London close, with the dollar falling to ¥246.50 from ¥247.25.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.7995 against the D-mark, compared with DM 1.8000 previously. Trading was nervous, with the U.S. currency falling from a high level of DM 1.8040. The early rise followed news that President Carter had imposed an embargo on Iranian oil imports. Sterling rose to DM 3.7800 from DM 3.7900, while the Swiss franc eased to DM 1.0770 from DM 1.0778. Among members of the European Monetary System, the French franc fell to DM 4.2670 per 10 francs from DM 4.2990; the Belgian franc to DM 4.1700 from DM 4.1700; the Dutch guilder to DM 4.2670 from DM 4.2690; the Irish punt fell to DM 3.7020 from DM 3.7040.

ATLANTA—The dollar rose to \$1.3255 from \$1.32 against the lira at the fixing, while the D-mark improved to L462.74 from L462.30. Several other EMS currencies were firm, with the Belgian franc rising to L28.574 from L28.571; the Dutch guilder to L416.21 from L416.14; and the Danish krone to L156.70 from L156.65. The Irish punt fell to L1.71150 from L1.71250, and the French franc eased to L197.27 from L197.28. Outside the EMS sterling rose to L1.756.80 from L1.747.

TOKYO—The dollar eased to ¥246.50 from ¥247.25 against the yen in hectic trading. During the morning the U.S. currency touched ¥249.50, the highest level since October 31, 1977, but profit taking and heavy intervention by the authorities led to the yen's recovery. Bank of Japan support for its currency was estimated at \$400m.



on the day, while its trade weighted index was unchanged at 68.0, after standing at 68.4 in the morning and 68.2 at noon. The Bank of England probably intended when sterling fell to its lowest level, but the dollar was also weak for most of the day and finished around its worst level in terms of most major currencies. The U.S. unit traded between DM 1.7990 and DM 1.8045 against the D-mark, before closing at DM 1.7990 compared with DM 1.7980 previously. It finished at SwFr 1.6575 against the Swiss franc, compared with SwFr 1.6555 on Monday, after trading within a range of SwFr 1.6570 and

Table titled 'EMS EUROPEAN CURRENCY UNIT RATES' showing exchange rates for various currencies like Belgian Franc, Danish Krone, German D-Mark, etc., with columns for currency, rate, and percentage change.

Table titled 'EXCHANGE CROSS RATES' showing exchange rates for various currencies including Pound Sterling, U.S. Dollar, Deutsche Mark, etc., with columns for currency, rate, and percentage change.

Table titled 'EURO-CURRENCY INTEREST RATES' showing interest rates for various currencies and terms, with columns for currency, rate, and term.

INTERNATIONAL MONEY MARKET

Further increases were announced by the Belgian National Bank yesterday in rates on Treasury certificates. Three-month bills and four-month bond papers were raised to 14.25 per cent from 14.20 per cent while six-month certificates jumped to 14 per cent from 12 1/2 per cent and nine-month bills increased to 13 1/2 per cent from 11 per cent. Shorter term rates were unchanged, when rates were last increased on November 6. One- and two-month Treasury certificates currently stand at 14 per cent.

UK MONEY MARKET

Small help. Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day to day credit was in short supply in the London money market yesterday, and the authorities gave assistance by buying a small amount of Treasury bills and a small number of corporation bills from the discount houses. Total help was small. The market was fed with a slight increase in the note circulation and a small net take up of Treasury bills to £200m. On the other hand there was a small surplus of Government disbursements over revenue transfers to the Exchequer. Discount houses paid up to 13 per cent for secured call loans, with a base of around 10 per cent. In the interbank market overnight loans opened at 12 1/2 per cent and eased to 10 1/2 per cent before coming back to 12 1/2 per cent. However, business was seen at 11 1/2 per cent. Later in the day rates fell to 10-10 1/2 per cent but late balances commanded 14-15 per cent. Interest rates were little changed overall despite yesterday's decision by National Westminster Bank to increase its base rate to 15 per cent from 14 per cent. Rates in the table below are nominal in some cases.

Table titled 'LONDON MONEY RATES' showing interest rates for various currencies and terms, with columns for currency, rate, and term.

THE DOLLAR SPOT AND FORWARD

Table showing Dollar Spot and Forward rates for various countries including UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, and Switzerland.

THE POUND SPOT AND FORWARD

Table showing Pound Spot and Forward rates for various countries including U.S., Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, and Switzerland.

CURRENCY RATES CURRENCY MOVEMENTS

Table showing Currency Rates and Currency Movements for various currencies, including Sterling, U.S. dollar, Canadian dollar, etc.

OTHER MARKETS

Table showing Other Markets including Argentina, Australia, Brazil, Canada, Denmark, France, Germany, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, and South Africa.

Advertisement for Pacific Gas and Electric Company, featuring '9,000,000 Shares' of Common Stock (\$10 Par Value) and a list of financial institutions like Dean Witter Reynolds Inc., Blyth Eastman Dillon & Co., and Goldman, Sachs & Co.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates for different currencies and terms.

Advertisement for Coutts & Co. announcing that their Base Rate will be increased from 14% to 15 1/2% per annum on 14th November 1979 until further notice. It also mentions deposit rates and withdrawal notices.

RESIDENTIAL PROPERTY

TO LET FURNISHED. 55 PARK LANE W1. FURNISHED quality apartments in established block. 1/2/3 beds, 1/2 baths, reception room and kitchen. 24 hour portage, CH & CHW inc. from £130 per week. The Penthouse apartment is now available, comprising 5 beds, 3 baths, reception room and kitchen. £550 per week. HOLIDAY LETS available from £40 per day.

Our furnished letting department offer a full service for the busy executive who wishes to see the best selection of furnished flats and houses in the Central London area.

Hampton & Sons. 6, Arlington Street, London W1. Tel: 01-493 8222. TO LET-SURREY. To let furnished for one or more years: Large detached Victorian family house, with double living room, dining room, breakfast room, 5 bedrooms, 2 bathrooms (one en-suite), full gas central heating, dry storage cellar, 6 ft. billiard table, garage, 3 acre of secluded garden in private road on south slopes of Reigate Hill, Reigate. Suit family with children (excellent range of schools nearby) and ideal for commuting to London. £390 per month inclusive of rates (local taxes), colour TV, and garden maintenance by contractors.

Advertisements for COTE D'AZUR (SAINT PAUL DE VENICE) and LITTLE VENICE, featuring properties for sale or rent in the South of France.

ATTENTION PENSION FUNDS-INSURANCE COMPANIES, DEVELOPERS

Notice regarding pension funds and insurance companies, mentioning the High Court of Justice and the Companies Act 1947.

PERSONAL

SCOTCH SMOKED SALMON. 1 1/2 lb side £10.10, 2 lb side £12.40, 3 lb side £14.70. SMOKED TROUT AND MACKEREL. 4 x 5 oz Smoked Trout £3.30, 2 x 12 oz Smoked Mackerel £2.40.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. MALL GALLERIES, The Mall, SW1. CITY AND GUILDS OF LONDON ART GALLERY, 25, Abchurch Lane, EC4.

Legal notices and company announcements, including notices from the High Court of Justice and various companies.

WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including AMF, AM Int'l, AMR, etc.

Table of stock prices for various companies in New York, including Columbia Gas, Com. Int'l, Com. Eng., etc.

Table of stock prices for various companies in New York, including G.S. Atl. Pac. Tea, G.W. Wh. Meats, G.W. Financ., etc.

Table of stock prices for various companies in New York, including Mess Petroleum, Metromed, Milson Bradley, etc.

Table of stock prices for various companies in New York, including Schlitz Brew., Schumacher, Scott-Foreman, etc.

Table of stock prices for various companies in New York, including American Express, Amstar, Amgen, etc.

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Down off 3.7 at mid-session

After modestly extending the recent good rally at the outset yesterday, Wall Street slipped back on profit-taking to make a mixed showing at mid-session following fairly active trading.

The Dow Jones Industrial Average up some 24 points over the past two business days was 3.67 per cent at 818.26 at 1 pm yesterday. The NYSE All

Closing prices and market reports were not available for this edition.

Common Index was 8 cents off at 888.74, although gains still showed in the last 15 minutes of the session.

Trading volumes were above Monday's low 1 pm figure of 18.5mm.

Although the market initially continued to react favourably to news on Monday that President Carter was ending U.S. imports of Iranian oil, analysts said investors may now be expressing concern about possible energy shortages.

Analysts also said investor enthusiasm may have been dampened by comments made by Federal Reserve Board chairman Paul Volcker, who stated that interest rates will not be reduced substantially until the U.S. inflation rate declines.

NYSE closed at 213.77, with the Dow Jones Industrial Average at 818.26. The NYSE All Common Index was 8 cents off at 888.74.

Shares were mixed to firmer at mid-day yesterday following a fair turnover. The Toronto Composite Index was 3.4 higher at 1,616.21 at noon, while the Oils and Gas index added 15.7 at 280.56.

In contrast, the Gold index receded 10.6 to 1,811.17 and Utilities 0.66 to 225.53.

The market opened generally firm under the lead of Shipping and Precision Machinery stocks, but prices began to slide towards the close as energy stocks and some of the recent front-runners slipped.

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Germany

A technical recovery took place in moderate activity, with the Commerbank index recouping 5.2 to 710.2.

Brokers cited Wall Street's good overnight rally, and an apparent easing of tension over the situation in Iran following President Carter's stoppage of U.S. oil purchases from Iran as an improvement in sentiment.

Market interest centred on Electricals, Machinery issues and Steels. In Electricals, Siemens rose DM 1.90 to DM 261.50.

Reports by the company that it intends to pay an unchanged dividend had been widely expected and discounted, according to brokers.

Thyssen put on DM 2.00 in Steels, while among the Machinery Manufacturers, GHH were up DM 3.00.

BMW rose DM 3.50 and Volkswagen DM 2.00 in Motors. Bonds receded, extending to 60 pence and the Bundesbank sold DM 2.5m nominal of paper in open-market operations after selling DM 3.5m the previous day.

Mark-denominated Foreign Loans continued to lose ground.

Arabian Oil fell Y80 to Y4,190. Teikoku Oil Y40 to Y1,000, while Mitsui Mining Y20 to Y2,000, while Kisen raised Y8 to Y172 and Sankei Steamship Y13 to Y390.

Brokers said that earnings at Shipping companies are expected to continue to increase for a while, supported by the dollar's recent rise because most shipping contracts are denominated in dollars.

Still reacting favourably to the rise of the U.S. currency, the Precision Machinery sector also advanced, but other export-related stocks closed on a mixed note yesterday after Monday's rise.

TDK Electronics improved Y20 to Y1,750 and Canon Y8 to Y599, while Honda Motors stood out.

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NEW YORK

Table of stock prices for various companies in New York, including Carter Hawley, Centel, etc.

Indices

Table of stock indices including Industrial, Transport, Utilities, etc.

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Base values of all indices are 100 except NYSE All Common-50; Standard and Poor's-100; Dow Jones-100; the last 1000 closing on 12/31/78. Excluding bonds, \$400 Industrials, \$400 Utilities, \$400 Financials and \$20 Transports. * Unavailable.

LONDON STOCK EXCHANGE

Repeated inflation pledges bring emotional response and equity index regains 10.5 to 423.5-Gilts rally £1 1/4

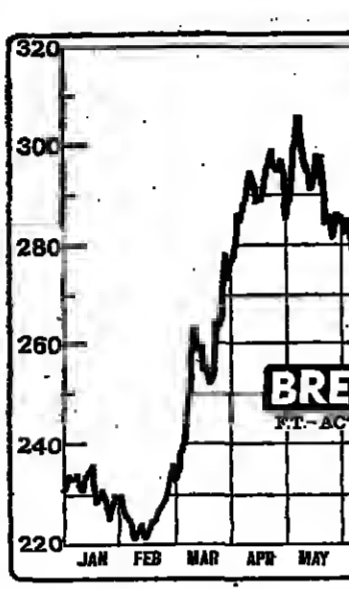
Account Dealing Dates
Options
First Declara- Last Account
Dealings Dates Dealings Day

encouraged by debt repayment
hopes; 5 per cent 1979 rose
7 points to 446 and 44 per cent
1980 gained 5 points to 450.

Completed contracts in Traded
options came to 557 yesterday
compared with Monday's 414 and
last week's 414.

C.U. pleases
Firm Composite Insurances
were featured by a rise of 6 to
125p in Commercial Union in
response to the better-than-

Building sector was mainly con-
fined to the leaders. Blue Circle
rose 6 to 230p and Costain Group
gained a similar amount to 138p.



drilling to the North Sea. Norsk
Hydro rose 2 to 594p.

W.H. Smith disappoints
A few pence firmer immedi-
ately in front of the interim
results, W. H. Smith "A" fell

diary came well after market
hours. Racial staged a good
recovery and closed 9 higher at
215p, while H. Wigfall also rallied

Secondary issues were featured
by Bernard Matthews which, at
260p, recovered Monday's fall of
11p.

regained 3 to 62p. Secondary
issues followed in the wake of
the leaders. B. Elliott, a particu-

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issues followed in the wake of
the leaders. B. Elliott, a particu-

Particularly susceptible of late
to nervous selling on fears of
higher interest rates, Properties
staged a useful rally yesterday

De La Rue below best
A strong technical rally by
the miscellaneous industrial
leaders saw closing improve-

Motor sectors followed the
market trend. In Components,
institutional support returned for

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FINANCIAL TIMES STOCK INDICES
Table with columns for Nov 13, Nov 12, Nov 9, Nov 7, Nov 5, and Year ago. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS
Table with columns for 1979 High, 1979 Low, Since Completion High, Since Completion Low, Nov 13, Nov 12.

NEW HIGHS AND LOWS FOR 1979
Table listing various stocks and their high/low prices for 1979.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices. Columns include Index No., Day's Change, and various index values for different sectors like Capital Goods, Consumer Goods, etc.

ACTIVE STOCKS

Table of Active Stocks. Columns include Stock, Denomination, Closing price, Change on day, 1979 high, 1979 low.

OPTIONS

Table of Options. Columns include Option, Expiry, Closing price, Offer, Vol., Closing offer, Vol., Equity close.

RECENT ISSUES

Table of Recent Issues. Columns include Issue, Price, Date, and other details.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks. Columns include Stock, 1979 High, 1979 Low, and other details.

"RIGHTS" OFFERS

Table of Rights Offers. Columns include Issue, Latest Date, and other details.

LONDON TRADED OPTIONS

Table of London Traded Options. Columns include Option, Expiry, Closing price, Offer, Vol., Closing offer, Vol., Equity close.

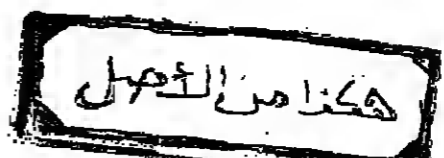
UNIT TRUST SERVICE

Table of Unit Trust Service. Columns include Trust Name, Manager, and other details.

Redemption issue. Nights and lows record base data and last Saturday issue. A list of the constituents is available from the Vul Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

Renunciation date usually last day for dealing free of stamp duty based on prospectus estimate. A Assumed dividend and stock price based on prospectus estimate for 1979. G Gross. Figures are based on cover allowed for conversion of shares not now ranking for dividend unless only for restricted dividends. P Pricing price to public. P1 Price unless otherwise stated. P2 Issued by way of capital. P3 Issued by way of bonus. P4 Issued by way of bonus. P5 Issued by way of bonus. P6 Issued by way of bonus.

FT UNIT TRUST INFORMATION SERVICE



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Allco Harvey & Ross Unit Tr. Mgrs., and others, including their names and brief descriptions.

Table listing Discretionary Unit Fund Managers, including names like Mayflower Management Co. Ltd., Target Tr. Mgrs. Ltd., and Commercial Union Group, along with their respective details.

Table listing various insurance and property trusts, including Target Tr. Mgrs. (Scotland), Commercial Union Group, and others, with their respective details.

Table listing a wide range of unit trusts and investment funds, including Scottish Widows' Group, Sun Life of Canada, and many others, with their respective details.

Table listing international and offshore unit trusts, including Capital International S.A., Dreyfus International, and others, with their respective details.

INSURANCE PROPERTY BONDS

Table listing insurance and property bonds, including Abbey Life Assurance Co. Ltd., Barclays Life Assurance Co. Ltd., and others, with their respective details.

OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Unit Tr. Mgrs., and others, with their respective details.

NOTES: Prices are in pence unless otherwise indicated. Yields are shown in italics. All prices are subject to change.

Continued on previous page



BRITISH FUNDS
'Shorts' (Lives up to Five Years)
Five to Fifteen Years
Over Fifteen Years
Undated

Table of British Funds with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

INTERNATIONAL BANK

Table of International Bank stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

AMERICANS

Table of American stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

BANKS & HP-Continued

Table of Banks & HP stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

CHEMICALS, PLASTICS-Cont.

Table of Chemicals & Plastics stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

ENGINEERING-Continued

Table of Engineering stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

INDUSTRIALS (Misc.)

Table of Industrial (Miscellaneous) stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

FOOD, GROCERIES-Cont.

Table of Food & Groceries stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.

FINANCIAL TIMES

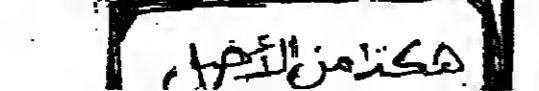
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FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for 1979 High/Low, Stock, Price, % Change, Dividend Yield, and P/E Ratio.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and Sun Life.

PROPERTY—Continued

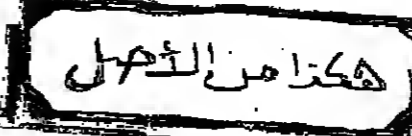
Table of property stocks including companies like Green R.I. Co., British Land, and Wimpey.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American, British Overseas, and British Venture.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Italian, Anglo-Spanish, and Anglo-Turkish.



Advertisement for DAIWA SECURITIES, International Financier, with a large logo and contact information.

MINES—Continued

Table of mining stocks including companies like Anglo-American, Anglo-Asian, and Anglo-Australian.

LEISURE

Table of leisure stocks including companies like Rank Leisure, Rank Leisure, and Rank Leisure.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like B.S.P., B.S.P., and B.S.P.

SHIPPING

Table of shipping stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-American, Anglo-Asian, and Anglo-Australian.

TEXTILES

Table of textile stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

PROPERTY

Table of property stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

TOBACCO

Table of tobacco stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

TEAS

Table of tea stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

MINES

Table of mining stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

EASTERN RAND

Table of Eastern Rand mining stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

FAR WEST RAND

Table of Far West Rand mining stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

FINANCE

Table of finance stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

COPPER

Table of copper stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

MISCELLANEOUS

Table of miscellaneous stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL MARKETS

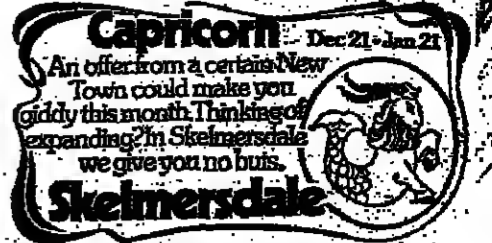
Table of regional market data for various countries and regions.

OPTIONS

Table of options data including call and put options for various stocks.

INSURANCE

Table of insurance stocks including companies like British & Commonwealth, British & Commonwealth, and British & Commonwealth.



PROPERTY MANAGEMENT Bernard Thorpe LONDON, SW1 TEL: 01-834 6890

U.S. economy faces '1 1/4% decline in GNP'

BY ROBERT MAUTHNER IN PARIS

THE U.S. faces a 1.25 per cent decline in Gross National Product next year...

during previous periods of recession. They would probably be perceived as a reduction in the priority given to curbing inflation...

The OECD also emphasises that the tighter monetary policies adopted recently by the U.S. authorities, are essential, both as a counter-inflationary measure...

EEC lamb price deal nears

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC appears to be moving towards a price support system for lamb similar to the old British system of deficiency payments...

help private traders store lamb. This would curb any fall in prices by withdrawing lamb from the market...

Question of price at Averys

THE LEX COLUMN

Index rose 10.5 to 423.5



Is GEC, as Averys suggests in its second major defence document, taking advantage of the current general depressed level of the market?

trading, though net debt appears to have shot up from £135.5m on that date to £190.2m on October 31.

fromances—from very low and very high 1977-78 bases, respectively—while the divisions supplying the vehicle and marine industries remain depressed.

Iran split points to softer line on siege of embassy

BY OUR FOREIGN STAFF

IRAN YESTERDAY appeared to soften its demands for the extradition of the deposed Shah from the U.S. for the first time since the start of the ten-day siege of the American embassy in Tehran.

The Iranian initiatives in the tug-of-war with Washington for the ailing Shah came from two known members of the Revolutionary Council, Mr. Sadegh Ghotbzadeh and Mr. Abol Hassan Bani-Sadr.

has been going on in recent weeks. He said talks could begin if the U.S. publicly declared the Shah to be a criminal and established an international team to investigate his crimes.

Averys fights off bid

BY ANDREW FISHER

AVERYS, the weighing machine company which is fighting off a \$88m bid from the General Electric Company, is promising its shareholders a dividend increase of nearly 70 per cent to try to retain their support.

with 245p previously as "wholly inadequate" and said that the proposed rise in dividend to 15p net this year from the 8.85p paid in 1978 was a demonstration of the board's confidence in the future.

Thorn/EMI

Sceptical City observers of the Thorn/EMI merger plans will not be wholly reassured by the documents now sent out to both sets of shareholders.

Commercial Union

Third quarter figures from the U.S. insurance industry have not been inspiring, but the Commercial Union—the first of the big UK companies to report—has come up with encouraging results.

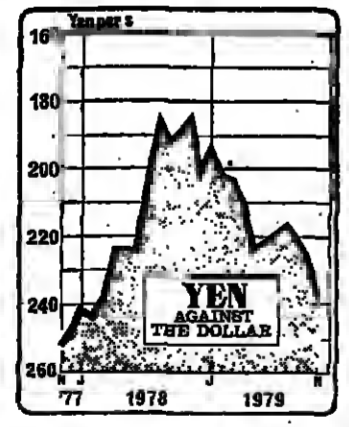
De La Rue

De La Rue's interim was up to market expectations, with pre-tax profits rising from £13.2m to £17.0m. The share price rose 30p in response to £5p, not far short of this year's high of 557p.

Yen at two-year low against \$

BY RICHARD C. HANSON IN TOKYO

THE YEN fell sharply to a two-year low against the U.S. dollar in Tokyo yesterday. It went down to ¥249.50 to the dollar on news that Iran's oil shipments to the U.S. would be stopped, though official intervention later reversed the decline.



The Tokyo market is suffering from a high shortage of dollars because Japan's already bloated import bill for oil has risen rapidly and because of the fast rising prices of other commodities.

Natwest

proved to be an essential part of reducing monetary growth. Sir Geoffrey said there was still too much money in the economy and it was taking time to get that excessive money out of the system.

Weather

UK TODAY FROST and fog from West, rain or snow later. London, S.E. and E. Midlands Foggy patches, rain or sleet later. Max 7C (45F).

Rhodesia

represented on a ceasefire commission, but he added: "The forces on both sides would be equally responsible to the governor for the observance of the cease-fire, and would come under his authority."

No extra mortgage rate rise expected

BY ANDREW TAYLOR

MOVES to increase the mortgage rate above the record 12 1/2 per cent due to become effective in January are unlikely in the near future—despite expected Minimum Lending Rate increase.

gauge rate will have to be further increased. Last month, investors deposited a record £1.915bn in building societies against withdrawals of £1.871bn. Mortgages promised by societies also rose to a record £327m while the amount actually lent during October was £813m.

There was no immediate explanation for NatWest's decision to lead the way. Mr. Jeffrey Benson, the group chief executive, said that the rise "came about as a direct result of the substantial and persistent increases in market rates over the last week."

In 1969 two men walked the surface of the moon alone. It took thousands more to get them there.

NatWest Trustees advertisement featuring an image of a person and text: 'In 1969 two men walked the surface of the moon alone. It took thousands more to get them there. NatWest Trustees'.

Table with columns: City, Y'day, Y'day, Y'day. Lists worldwide weather forecasts for cities like Ajaccio, Algiers, Amara, etc.